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Reportage on IAEA Negotiations in DPRK

Spokesman States Objectives

SK2808014893 Seoul TONG-A ILBO in Korean 28 Aug 93 p 1

[Report by YONHAP from Paris]

[Text] Hans Meyer, spokesman for the International Atomic Energy Agency [IAEA], revealed on 27 August that, in the negotiations with North Korea, which will start on 31 August, the IAEA would seek a method to conduct overall inspections of North Korea's nuclear facilities as soon as possible.

In connection with the fact that the North Korean side will emphasize resolving the issue concerning the IAEA's impartiality during the Pyongyang negotiations, spokesman Meyer said that "it is not desirable to discuss the issue concerning the IAEA's impartiality." He added that "the IAEA is trying to find a method to resolve all issues related with North Korea's nuclear issue, including the issue of resuming inspections pursuant to the Nuclear Safeguard Accords."

Team Leaves Vienna for DPRK

SK2908230293 Seoul KBS-1 Radio Network in Korean 2205 GMT 29 Aug 93

[By reporter Cha Man-sun from Vienna]

[Text] Nuclear inspection negotiations between the International Atomic Energy Agency [IAEA] and North Korea, which have been suspended for nearly six months, will resume tomorrow [31 August]. An IAEA negotiation delegation left Vienna on the afternoon of 29 August and will arrive in Beijing on 30 August. After staying one night in Beijing, the delegates will enter Pyongyang on the afternoon of 31 August.

This is their first trip to Pyongyang. Therefore, member states of the United Nations are greatly interested in the situation and the future outcome of the negotiations with North Korea.

The IAEA negotiation delegation avoided detailed comments on the purpose of their visit there, only saying that it will do its best, based on the position of fairness, as these are nuclear inspection negotiations of North Korea which the international community is checking.

Preview of Negotiations

SK3008231493 Seoul KBS-1 Radio Network in Korean 2210 GMT 30 Aug 93

[By reporter Cha Man-sun from Vienna]

[Text] An International Atomic Energy Agency [IAEA] negotiation delegation will visit Pyongyang from 31 August to 4 September and discuss nuclear inspection with the North Korean high-level authorities concerned.

Composed of five experts, the negotiation delegation led by Pellaud, deputy director general of the IAEA, will leave Beijing at three o'clock [0600 GMT] this afternoon via Koryo Airline. They are expected to arrive in Pyongyang around 4:30 PM [0730 GMT] this afternoon.

In connection with the nuclear issue, this is the second time that the IAEA high-level authorities have visited North Korea since the last year's visit by Hans Blix, director general of the IAEA, in May.

It was learned that the IAEA negotiation delegation arriving in Pyongyang today will earnestly hold five days of nuclear negotiations with North Korea beginning tomorrow.

The main agenda items for these negotiations are expected to include the confirmation of major differences between North Korea's initial report and the IAEA's inspection results, and emphasis on resolving North Korea's assertions of IAEA unfairness.

Team Arrives in Pyongyang

SK3108093893 Seoul KBS-1 Radio Network in Korean 0900 GMT 31 Aug 93

[Report by correspondent Cha Man-sun from Vienna]

[Text] Five International Atomic Energy Agency [IAEA] negotiation delegates headed by Deputy Director General Brund Pellaud, arrived in Pyongyang this afternoon and started a five-day visit for the resolution of North Korea's nuclear issue.

This is the second time a high-level IAEA official visits Pyongyang in connection with the nuclear issue after Director General Hans Blix visited in May.

The IAEA negotiation delegation, which arrived in Pyongyang today, will start a five-day full-fledged nuclear negotiations tomorrow. It has been said that the main topic during the talks will be the IAEA partiality claimed by North Korea and the significant differences between the North Korea's initial report and the result of the IAEA inspection.

IAEA Spokesman on Talks

SK3108103893 Seoul YONHAP in English 1022 GMT 31 Aug 93

[Text] Paris, Aug. 31 (YONHAP)—The talks between the International Atomic Energy Agency (IAEA) and North Korea, begun on Tuesday [31 August] in Pyongyang, would last depending on the substantial contents of negotiations, IAEA spokesman Hans Meyer said on Tuesday.

Meyer said the five members of the IAEA's negotiation team, who gathered in Beijing last weekend, had not made any report to the IAEA headquarters.

"Judging from the lack of report, we believe the talks began with North Korea on Tuesday as planned," he said.

The spokesman said he cannot foresee how long the current meeting would be held. "It may last longer or shorter than expected depending on the contents of the talks," Meyer said.

An official of the North Korean mission in Vienna said last week the IAEA team would stay in North Korea through Sept. 4.

Spokesman Meyer said the issue of whether to have a follow-up meeting in Vienna after the Pyongyang talks as suggested by the IAEA would be discussed along with other items at the current Pyongyang meeting.

He said he knows nothing about the exact topics taken up at the first-day meeting on Tuesday.

The IAEA hopes to discuss all matters related to the implementation of the nuclear safeguards agreement whereas North Korea wants to take up initially the question of the IAEA's "impartiality."

Japan

U.S. Charges Microchip Patents Violations

OW2808020593 Tokyo KYODO in English 0126 GMT 28 Aug 93

[Text] Washington, Aug. 27 KYODO—Two U.S. semiconductor makers have accused Mitsubishi Electric Corp. of Japan of infringing up to seven of their microchip patents, the U.S. International Trade Commission announced Friday [27 August]. The commission said it has launched an investigation into the complaint filed on July 26 by National Semiconductor Corp. and its wholly owned subsidiary Fairchild Semiconductor Corp.

The commission gave no details on the patents involved and said it has yet to determine the merits of the case. Industry sources, however, said the complaint involves patents for the manufacturing of dynamic random-access memories (DRAMs).

The commission must conclude the investigation within 18 months.

Tokyo Wants U.S. Trade Rules on Talks Agenda

OW3008131493 Tokyo KYODO in English 1249 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—Japan is asking the United States to put U.S. trade rules, such as Section 301 of the Trade Act, on the agenda at new bilateral trade talks set to begin early next month, a Japanese Government source said Monday [30 August]. Section 301 is a provision that allows the U.S. to conduct an investigation to determine whether it will initiate trade measures against nations which discriminate against U.S. goods and services.

Also at stake is the so-called "buy-American" amendment, which requires the U.S. Government to purchase American goods first, the source said.

Tokyo believes that these U.S. trade rules run counter to the principle of free trade under the General Agreement on Tariffs and Trade (GATT) and thereby should be scrapped, said the source, who asked not to be identified.

The source said Tokyo is also proposing giving priority to the issue of how to promote U.S. exports in the bilateral talks on a new framework for bilateral trade, on which U.S. President Bill Clinton and then Japanese Prime Minister Kiichi Miyazawa agreed in July. Taking issue with these topics is needed to maintain "a two-way dialogue" agreed upon between Miyazawa and Clinton because the focus of the bilateral talks so far have been how to boost Japan's imports to rectify the trade imbalance, the source said.

U.S. officials have said Washington wants measurable improvement in five "baskets" of trade issues, among them three areas—government procurement of foreign goods, access to Japan for U.S. insurance companies, and imports of U.S. cars and parts.

U.S. Rice Association on Projected Poor Crop

OW2708235693 Tokyo KYODO in English 2320 GMT 27 Aug 93

[Text] Washington, Aug. 27 KYODO—The U.S. Rice Millers' Association said Friday [27 August] that Japan should buy rice from the United States if it lifts its ban on imports to fill a projected poor rice crop this year.

"If Japan decides to import, the United States should be the supplier," David Graves, head of the rice growers' trade group, said in a statement. Graves said imports of U.S. rice by Japan would be a "very positive" step toward easing trade frictions between the two countries.

Japan bans rice imports on grounds of food security, but sources in the Farm Ministry in Tokyo say the government may allow imports on an emergency basis to make up for a likely poor crop resulting from bad weather this year.

U.S. Demands More Tariff Cuts on Beef, Oranges

OW3008142893 Tokyo KYODO in English 1322 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—U.S. trade negotiators are demanding that Japan make further tariff cuts on beef and orange imports as part of global efforts to bring down levies on agricultural products, a Japanese Government source said Monday [30 August].

The source said Washington also wants Tokyo to simplify import procedures for pork and bring down tariffs on confectionery.

The U.S. pressure came as Washington focused on dozens of agricultural products instead of some 120 items it wants lowered, the source said.

Trade negotiators from more than 100 nations are set to resume talks on rewriting global trade rules in Geneva on Tuesday, among them those on trade in agriculture.

U.S. trade officials had demanded a cut of some 50 percent when negotiating tariffs on some 120 items, but this time they did not make it clear what reductions they sought, the source said.

At present, Japan imposes a 40 percent tariff on orange imports between December and May, the season of Japanese Mikan, or tangerine-like oranges. For June to November, a 20 percent tariff applies.

As for beef, Japan eliminated import quotas in favor of a 70 percent tariff in April 1991 under a 1988 agreement with the United States. The tariff has since been lowered to 50 percent.

PRC Agricultural Trainees Go Home 'in Protest'

OW3008091993 Tokyo KYODO in English 0847 GMT 30 Aug 93

[Text] Kumamoto, Aug. 30 KYODO—Eighteen Chinese who came to Kumamoto Prefecture to participate in an agricultural training program have decided to go home in protest against alleged ill-treatment, officials said.

In addition to the Chinese, 30 Filipinos and four Mexicans are also expected to quit the program, the officials said.

The foreigners were among about 60 foreigners who were invited to the program by a local agricultural exchange association in Kumamoto. The association was set up in 1990 to provide agricultural education courses for foreign trainees and has been subsidized by the Kumamoto Prefectural Government.

It invited 21 Chinese last October, of whom three have already gone home. It also invited 30 Filipinos and 13 Mexicans in April. All the students participated in a one-year training program at local farmers' houses in the prefecture.

But on August 27, when a joint language training course was held, the trainees complained about long working hours and a monthly living allowance of 20,000 yen, the officials said. The trainees also said it is a violation of human rights that their passports have been taken away by the association.

The association explained to the trainees that long working hours are part of agricultural training and that the monthly allowance has been set under the official contract. Many of the trainees were not satisfied with the explanations, the officials said.

Association Chairman Munetsugu Tanoura said the project will probably be terminated because a large number of students are quitting.

Sony Makes First Direct Investment in PRC

OW3008021993 Tokyo KYODO in English 0115 GMT 30 Aug 93

[By Geoffrey Murray]

[Text] Beijing, Aug. 30 KYODO—Among the major electronics manufacturers, Sony Corp. has been virtually unique in hanging back from direct investment in the rapidly expanding Chinese market.

But last week in Beijing it finally took the plunge—announcing the establishment of a joint venture company in Shanghai to manufacture video cameras. "We predict a very large market for audio and video equipment in China and plan to start relation production activities as time progresses," said Tsunao Hashimoto, the company's executive vice president.

Shanghai Suoguang Electronics Co. will require investment of 12.5 million dollars in the first phase of its operation. Sony will provide 70 percent, and the Chinese partner, Shanghai Video and Audio Electronics Co., the country's largest firm in the field, will provide the rest.

Chinese electronics officials say Sony's previous absence from the China market, at a time when its main rivals were already establishing a strong presence, has been the subject of long debate.

Hitachi Ltd., for example, launched the first joint venture television factory in southern Fujian Province as long ago as 1981.

National Panasonic has been established in Beijing since the late 1980s, making videocassette recorders (VCRs) and color TV picture tubes. Toshiba Corp. was rather late, but in 1991 it announced an investment of 10 billion yen in its first production facility in Dalian, northeast China.

Sony's main involvement up to now has been through the export of production facilities, and know-how for VCR production.

Hitachi, National Panasonic, Sharp Corp. and Sony between them provided the Chinese Government with the technology and production lines for the establishment of 11 state-run factories around the country at the start of the present decade.

"It has taken Sony 12 years to decide to invest directly in China. We find it hard to understand why it has been so reluctant, especially as many attempts have been made to persuade it to invest in the past," said an official of the Ministry of Electronics.

"Still, now that it is here, hopefully it will quickly expand its technological cooperation with China into many different fields."

Hashimoto confirmed that this was a possibility. Starting from the manufacture of 8mm video cameras in Shanghai, the company would "actively explore the possibilities for the production and promotion of other video products" in China, he said.

A major question to be settled as far as camera production is concerned is the supply of key parts. The Sony official confirmed that the company would seek to buy as many of them locally as possible.

Advanced consumer electronics is one of the key sectors being developed in the new high-technology industrial zones going up on the outskirts of Shanghai with Japanese capital and construction expertise. The port city is already the largest Japanese VCR production center in China.

Sony expects camcorder production to begin there in November, building up quickly to annual output of 150,000, with 40 percent earmarked for export.

The cameras are expected to sell for between 5,000 and 10,000 yuan (877-1,754 dollars), which would have been out of the question for most Chinese up until the last couple of years when the economic reforms finally began to create strong pockets of affluence, particularly in the coastal regions like Shanghai.

The Chinese Government estimates that with the rapid improvement in the standard of living, the annual demand for video cameras will be between 300,000 and 500,000 in 1995, and one million by the turn of the century.

Chinese tastes have changed starkly in regards to the "three hot buys." Between 1960 and 1980, they scraped together every fen to purchase bicycles, watches and radios. In the 1980s, the hot buys were TV sets, refrigerators and washing machines.

Statistics show that TV ownership was nine per 1,000 people in 1980—now there is a set for every five people on average.

Now tastes are moving on to VCRs and air conditioners, along with telephones.

Protest Lodged Over Russian Intrusion of Airspace

OW3108131593 Tokyo KYODO in English 1243 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Japan lodged a protest against a Russian reconnaissance plane's intrusion into its airspace off the coast of northern Japan on Tuesday [31 August], the Foreign Ministry said.

Tsuneo Nishida, head of the ministry's Russian division, summoned Russian embassy senior official Mikhail Ivanov and conveyed a "strong protest" to Moscow, the ministry said in a statement. Nishida urged the Russian Government to take measures preventing a recurrence of further intrusions, the statement said.

The sophisticated Ilyushin 20 aircraft was first spotted off Kyuroku Island, Aomori Prefecture, around 1:35 P.M., the ministry said.

The Defense Agency said the appearance of the Russian plane prompted six air self-defense force jet fighters to take off and trail the aircraft.

The plane ignored radioed Russian-language warnings from the Japanese jets and continued to fly along the West coast of Hokkaido for about one minute, the agency said. It then reportedly veered off toward the coastal provinces of Russian Far East.

The reconnaissance mission appears to have been aimed at gathering military information such as radio waves beamed from Japan's air defense radars, agency officials said. The mission marked the first confirmed airspace intrusion by an Il-20, they said.

Tuesday's airspace intrusion came less than two months before a planned visit to Tokyo in mid-October by Russian President Boris Yeltsin.

Dietwomen Ask Settlement of 'Comfort Women' Issue

OW3008105993 Tokyo KYODO in English 0939 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—A group of Japanese women legislators demanded Monday [30 August] that the government offer apologies and compensation to Asian women forced into sexual servitude at frontline military brothels just before and during World War II.

In a statement presented to Prime Minister Morihiro Hosokawa, the 32 women politicians from both houses of the Diet said special measures should be taken quickly because many of the victims who served as "comfort women" are advanced in age.

The statement welcomed Tokyo's acknowledgement on August 4 of its forced recruitment of Asian women into sexual services for Japanese soldiers. But the women lawmakers demanded further efforts by the Japanese Government to get to the crux of the matter with the help of historians and private research institutes.

They also urged the government to express its intention of never repeating its past wrongdoing, and honor resolutions and recommendations by the United Nations Subcommission on the Prevention of Discrimination and Protection of Minorities.

Historians estimate that between 100,000 and 200,000 comfort women, mostly from the Korean peninsula, were sent to frontline brothels to provide sex to Japanese Imperial Army troops.

Last Friday, Linda Chavez, a special rapporteur appointed by the U.N. to investigate the comfort women issue, said she will consider how Japan should handle the issue of compensation.

"We women Diet members... [ellipses as received] think it is urgent that apologies are offered to them to atone for their sense of humiliation and unbearable physical and mental sufferings, and to restore their honor as fast as possible," the legislators said in the statement. "For Japan to build new relations with Asian people, we need to fulfill our international duties by expressing remorse and accepting blame for our mistakes in the war," they said.

"Without that, there will be no way for us to make truly international contributions to peace."

The women politicians include Manae Kubota, state minister and chief of the Economic Planning Agency, Hideko Ito of the Social Democratic Party and Haruko Yoshikawa of the Japanese Communist Party.

Service Held for 1993 Korean Jet Downing Victims

OW2908084993 Tokyo KYODO in English 0806 GMT 29 Aug 93

[Text] Wakkanai, Hokkaido, Aug. 29 KYODO—Relatives of Japanese victims of the 1983 downing of a Korean Air jetliner held memorial services marking the 10th anniversary of the incident Sunday [29 August] at Cape Soya Peace Park.

The Seoul-bound Boeing 747 was shot down by a Soviet jet fighter on September 1, 1983, over waters near Sakhalin with 269 passengers and crew aboard, including 28 Japanese. A total of 41 people from 15 families attended Sunday's ceremonies along with 110 Wakkanai

City officials and local shipping employees. The memorial service, held under partly sunny skies and strong winds, was the last scheduled commemoration for the victims.

The vice chairman of the Bereaved Families Association, Kensuke Nakazawa of Yokohama, lamented "if only the former Soviet Union had collapsed 10 years earlier," referring to the Cold War tension at the time that led to the downing of the passenger aircraft.

Soviet officials have maintained that they believed that the Boeing 747 was a U.S. spy aircraft that had violated Soviet airspace.

Airline analysts have suggested that computer error may have led to the jetliner's veering off course from Anchorage, Alaska, to Seoul and into Soviet airspace.

"For families that have not received the remains of their loved ones or their possessions, it has been a painful time," said the head of the families association, Masakazu Kawana of Mishima, Shizuoka Prefecture. "I still cannot suppress my resentment over this merciless taking of life," Kawana said.

Participants in the ceremonies laid white chrysanthemums at the base of the memorial in the park for the victims.

Six of the relatives will attend a Russian Government sponsored commemorative service Wednesday for the victims in Nevelsk on Sakhalin.

According to the association, about two-thirds of the families are still seeking compensation from the airline company. The association is demanding that the Russian Government reveal what it knows about the incident and return the possessions and remains of the victims which Soviet authorities recovered.

Government To Retain Stance on DPRK Kidnapping

OW3108111693 Tokyo KYODO in English 0902 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Japan's new coalition government will not scrap previous administration demands concerning the whereabouts of a Japanese woman allegedly kidnapped by North Korea to train a spy convicted of the 1987 bombing of a South Korean jet, a Foreign Ministry official said Tuesday [31 August].

Speaking at a news conference, ministry spokesman Sadaaki Numata denied any intention to retreat from the position of successive Liberal Democratic Party governments on the abduction issue, saying, "I am not suggesting any shift on this issue."

Numata was responding to reporters' questions on a statement by Tetsuya Endo, chief negotiator in Japan-North Korea normalization talks, who told a symposium earlier in the day Japan wants a resumption of the talks. The normalization talks broke down last November over a Japanese demand that Pyongyang disclose the whereabouts of the woman who reportedly trained self-confessed spy Kim Hyon Hui in Japanese language and customs.

The former North Korean agent, who confessed to placing a time bomb on a Korean Air Boeing 707 on November 29, 1987, told Japanese police investigators that her Japanese tutor went by the Korean alias of Yi Un-hye. The police later identified the Japanese tutor as a former night club hostess from Saitama Prefecture with two children, but requested her Japanese name be withheld from the press.

Concerning August 24 testimony by a North Korean defector on a North Korean underground missile base, Numata said the ministry is "in the process" of confirming the authenticity of the information. "We are aware of the reports," Numata said in response to a foreign correspondent's question on the testimony by Yim Song-son, 30, who identified himself as a first lieutenant in the North Korean Army Engineering Unit which he said constructed the underground missile base.

Following his defection, Yim told South Korean authorities the two missile launching pads are located in the cities of Munchong and Komduksan and that missiles launched from there are capable of hitting Japan.

A North Korean missile with a range of 1,000 kilometers whose test-firing was detected by Japanese and U.S. authorities in June appears to have been fired from the Munchong base, Lim said.

Foreign Minister Welcomes Israel-PLO Accord

OW3108023393 Tokyo KYODO in English 0219 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Japan on Tuesday [31 August] welcomed an agreement between Israel and the Palestine Liberation Organization (PLO) which may set the stage for Palestinian self-rule in the occupied West Bank and Gaza Strip.

Foreign Minister Tsutomu Hata told a news conference that the agreement will become a "milestone" in the stalled Middle East peace talks.

While noting the region has repeatedly gone through hard times in the course of history, Hata said he hopes peace will be achieved in the area as early as possible.

In Jerusalem, the Israeli Government overwhelmingly approved the framework for Palestinian autonomy, a first step toward ending 26 years of Israeli military rule in the West Bank and Gaza Strip.

Firms To Accept Extension of Indonesian Contracts

OW2808113693 Tokyo KYODO in English 0744 GMT 28 Aug 93

[Text] Nagoya, Aug. 28 KYODO—Japanese electric and gas companies and Nippon Steel Corp. are ready to accept an offer from Indonesian state-owned petroleum giant Pertamina to extend for five to 10 years contracts for liquefied natural gas (LNG) imports, company officials said Saturday [28 August].

The three contracts, signed in 1973 and 1981, are to expire between 1999 and 2000, the officials said.

Under the contracts, the five electric power and two gas companies and Nippon Steel would agree to import a combined 15.33 million tons per year, according to the officials.

The five power firms are Kansai Electric Power Co., Tohoku Electric Power Co., Kyushu Electric Power Co., Tokyo Electric Power Co. and Chubu Electric Power Co. The two gas companies are Osaka Gas Co. and Toho Gas Co.

Japan is the largest importer of Indonesian LNG.

Ministry Releases Report on Illegal Aliens

OW2908092993 Tokyo KYODO in English 0810 GMT 29 Aug 93

[Text] Tokyo, Aug. 29 KYODO—Nearly 300,000 foreigners in Japan are staying here illegally, the Immigration Bureau of the Justice Ministry revealed in a report released Sunday [29 August]. The total of 298,646, recorded on May 1, is the largest such figure recorded and represents a 7 percent increase or about 20,000 more than a year earlier and 6,000 more than the previous six months, the ministry reported.

The report noted, however, that the increase was relatively small because of enhanced efforts to locate foreigners overstaying their visas in Japan.

The figures are determined by computer which keeps track of the records of foreigners entering and leaving the country.

In the first six months of this year, immigration officials also deported 35,299 foreigners for violations of the Immigration and Refugee Recognition Law. The number of deportations was about 1,000 higher than during the same period last year and marked another record.

The ministry said that among the foreigners in Japan illegally, 192,114 are men and 106,532 are women, with about 80 percent of the total admitted to Japan on short-term visas. Others entered on student and entertainment visas.

By nation, 55,383 of the foreigners in question are from Thailand, 39,455 from South Korea, 35,392 from the Philippines and 33,312 from China, the report said. Compared with a year earlier, the number of Thais illegally staying in Japan grew by about 25 percent, with more than half of the increase taken up by women.

The number of South Koreans grew by about 10 percent, but women accounted for about 38 percent of the increase.

On the other hand, the number of Malaysians staying illegally in Japan decreased by 20 percent, while the number of Iranians decreased by nearly 30 percent with the cancellation in April last year of their visa inspection exemption.

Of the people violating the immigration law, 32,335 were working as illegal laborers with South Koreans accounting for 6,533 of the total. South Koreans along with Malaysians, Thais and Iranians accounted for about three-fourths of the total, the report said.

DA Presents Budget; SDP Opposes AWACS

OW2708223593 Tokyo KYODO in English 1520 GMT 27 Aug 93

[Text] Tokyo, Aug. 27 KYODO—The Defense Agency [DA] on Friday [27 August] briefed the government on its proposed 4.73 trillion yen defense budget program for fiscal 1994, but the Social Democratic Party [SDP], a key member of the coalition, protested the projected purchase of two U.S.-made airborne electronic surveillance systems (AWACS) planes.

Defense Agency officials said the agency will present its budget program to the Finance Ministry on Tuesday. Salaries and rations make up the bulk of the agency's new budget program, accounting for over 2 trillion yen or 42.3 percent of the total, the agency officials said.

The controversial AWACS planes cost 55.4 billion yen apiece, down slightly from the original price tag of 57 billion yen because of the yen's appreciation. But a senior SDP official said his party cannot condone the projected AWACS purchase at a time when other countries are talking about "peace dividends" following the end of the Cold War.

Plans Increase in Arms Contracts

OW3108083093 Tokyo KYODO in English 0805 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—The Defense Agency [DA] plans to increase next fiscal year's value of new weapons contracts by 17 percent to 1.03 trillion yen, agency officials said Tuesday [31 August]. The agency submitted a budget plan to the Finance Ministry on Tuesday for the fiscal year beginning next April. It totals 4.7 trillion yen, up 1.95 percent from the initial budget for fiscal 1993.

Weapons in the plan include firearms, tanks, warships and fighter aircraft. Ammunition and fuel are classified in a separate category.

The officials said the budget request covers remaining costs of a five-year midterm defense buildup plan ending in fiscal 1995, which increased the value of planned contracts.

Among expensive weapons in the purchase program are two airborne warning and control systems (AWACS's) and a 5,600-ton aircraft carrier for large minesweeper helicopters, the officials said.

The agency plans to increase the budget request for an advanced Patriot, a U.S.-made land-to-air missile, to counter the threat of a new missile that North Korea is said to be developing, they said.

NPA Plans To Establish International Department

OW3008124693 Tokyo KYODO in English 1153 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—The National Police Agency [NPA] plans to establish an international department to cooperate with international agencies and deal with crimes committed by foreigners, agency officials said Monday [30 August].

They said the agency will ask the Finance Ministry for 227 billion yen in its budget plans for the fiscal year beginning next April. The request is up 1.7 percent from the previous year.

The new department is needed because international police cooperation has become crucial, and due to the rapidly growing number of foreigners living in Japan, they said.

The Justice Ministry said 1.28 million foreigners were registered as living in Japan as of the end of 1992, topping 1.0 percent of the country's total population for the first time.

The ministry also said nearly 300,000 foreign citizens were in the country illegally as of May 1.

The agency also plans to upgrade the criminal investigation bureau's safety department to a bureau to strengthen measures against guns and drug-related crimes, they said.

The planned reorganization due next April would be the most drastic one since the police law was enacted in 1954, they said.

Under the budget plan, the new international department will be set up under the secretariat of the agency's director general and will be divided into two divisions, the officials said.

The first international division will be in charge of participation in the United Nations peacekeeping operations and in police technical cooperation overseas, they said.

Seventy-five Japanese policemen participated in the U.N. peacekeeping mission in Cambodia from last October to July and one was killed in a gurrillia ambush in May.

The second international division will cover international investigations as well as liaisons with the International Criminal Police Organization (Interpol).

Ichiro Ozawa's Book, Policies Profiled

OW2808000493 Tokyo KYODO in English 2318 GMT 27 Aug 93

[Text] Tokyo, Aug. 28 KYODO—The publisher says he has never seen anything like it: a book by a politician that sells—500,000 copies since June.

In a "Blueprint for Building a New Japan" Ichiro Ozawa delivers a scathing critique of the way Japan works, and offers some far-reaching advice about how to correct it. And readers are lapping it up.

More than 3,000 letters have arrived at the publishing house, Kodansha, says editor Toshio Toyoda, and most of them praise the man and his ideas. Kodansha is negotiating editions in English, Chinese and Korean, Toyoda said.

Ozawa, co-leader of the coalition government's Shinseito (Japan Renewal Party), has a laundry list of grievances that reads like it could have been drafted in Washington: Japanese business practices lack transparency. Consumers get short shrift. Policy-making is so Byzantine it is impossible to pinpoint accountability.

"On the international political stage, Japan at most has only been expected to play the role of a private sector corporate lawyer," he writes.

In a nutshell, Ozawa believes Japan is not a "normal" industrialized democracy. After the defeat of the Japanese Imperial Army in World War II, the prewar bureaucratic machine was resuscitated, preventing Japan from achieving democracy. And if it does not mend its ways, Japan risks reverting to prewar isolation.

The notions are not particularly original. The idea that Japan plays by fundamentally different rules from other major nations has been flowing from the nibs of "revisionist" analysts for years.

What is new is that such opinions are now being bandied about by a prodigy of the establishment, and, moreover, the man credited as the visionary behind Japan's first government to exclude the Liberal Democratic Party (LDP) in 38 years.

Indeed, Ozawa's world view appears to be holding some sway over the new coalition government of Prime Minister Morihiro Hosokawa, which has echoed many of the themes woven into Ozawa's 258-page tome, including the need for drastic reforms of the political system, decentralization of power and deregulation.

Ozawa also advocates halving income taxes while pushing the consumption tax from 3 percent to 10 percent—ideas Hosokawa has declined to endorse, but says should be taken up over the long term.

At 51, a relatively youthful politician by Japanese standards, Ozawa is clearly prepared to bide his time.

Once considered a likely future leader of the then-ruling party, Ozawa started plotting his departure from the LDP last fall after the unexpectedly precipitous downfall of his mentor, political don Shin Kanemaru.

In December, he joined up with now Foreign Minister Tsutomu Hata to launch a faction advocating sweeping reforms of the money-guzzling political system, and six months later they completed their break from the LDP and formed Shinseito—the pivotal party in the coalition government.

While Ozawa has been credited with playing a central role in getting the coalition government on its feet, he rejected taking a cabinet post. He is also seen as something of a public liability because of his reputation as a strong-arm power broker with hawkish political views.

During the 1990 Iraqi invasion of Kuwait, for example, Ozawa as LDP secretary general triggered vigorous public protests by advocating sending noncombat troops to the Persian Gulf in defiance of a postwar taboo on the overseas dispatch of soldiers.

He was unsuccessful but has not given up. If Ozawa gets his way, he will rewrite the ground rules of society, from the way the premier runs the office, to the workaholic habits of the legions of salaried workers. He even suggests in his book that Japan should modify its "groupism" mentality, long cherished as a source of strength, in favor of greater individualism.

Starting at the top, Ozawa proposes consolidating power under the prime minister by expanding the staff, streamlining the intelligence service and reining in bureaucrats.

Japan lacks a grand design in foreign policy, Ozawa says, and he agrees with the U.S. perception that Tokyo only makes concessions under crushing international pressure.

In what is sacrilege to postwar pacifism, Ozawa believes that the Self-Defense Forces could fight alongside a U.N. standing military army, despite a constitutional ban on use of force to settle international disputes. He also advocates top-level contacts between military officers and politicians—another taboo.

Such suggestions have alarmed erstwhile colleagues such as LDP President Yohei Kono, who has expressed concern over the nationalistic ideologies being touted by Shinseito.

In an apparent rebuff of Ozawa's quest for expanding Japan's international clout, Hosokawa told parliament that Japan does not intend to become a "mini-superpower" by making a quid pro quo exchange of armed soldiers to U.N. peacekeeping operations for a permanent seat on the U.N. Security Council.

Yamahana on Intention To Run for Reelection

OW2808060293 Tokyo KYODO in English 0534 GMT 28 Aug 93

[Text] Tokyo, Aug. 28 KYODO—Social Democratic Party [SDP] Chairman Sadao Yamahana on Saturday [28 August] voiced his strong intention to run for reelection as head of the party in September.

Yamahana, in a meeting of secretaries general of party chapters across the country, said, "The SDP has a responsibility to the Japanese people to honor its commitment to the coalition government and political reform." Yamahana is in charge of political reform in the cabinet of Prime Minister Morihiro Hosokawa as head of the largest of the seven parties in the coalition.

The meeting centered on how he should take responsibility for the party's poor showing in the July 18 election for the House of Representatives, where its strength was almost halved to 70 seats.

Yamahana indicated he will officially confirm his intention to run after his return on September 6 from a visit to South Korea, the first by an SDP leader. The election will be held on September 18 and 19 and the result announced on September 20. More than 100,000 party and associate members will cast ballots.

On political reform, he urged the meeting to support the introduction of an electoral system combining single-seat constituencies and proportional representation in the lower house. Yamahana said he had no doubt that voters would recognize the party's achievements in bringing about political reform.

He said he will make every effort to restore public support for the party, pointing to its steady efforts to achieve reform and sweep away political corruption.

Following his speech, Wataru Kubo, who is acting chairman while Yamahana is serving in the cabinet, voiced support for his reelection and said he would continue as the party's representative in the cabinet even if he lost the election.

But some regional representatives called for Yamahana to step down from the chairmanship. The demand is coupled with the simmering criticism in some circles of proposed electoral reform.

The coalition parties agreed Friday to present an extraordinary Diet session in September with proposals for 250 seats in the lower house to be elected from single-seat constituencies and 250 seats by proportional representation.

Vows To Finish Draft Reform Bills

OW3008082393 Tokyo KYODO in English 0652 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—Sadao Yamahana, state minister in charge of political reform, vowed Monday [30 August] to compile draft political reform bills as soon as possible, Deputy Chief Cabinet Secretary Yukio Hatoyama said.

At a meeting of top government and ruling coalition group officials, Yamahana said he will do his best to finish compiling the bills as government-sanctioned proposals which reflect the Cabinet's determination to implement political reform, Hatoyama said.

Yamahana was quoted as saying further discussions with the Finance Ministry are necessary on parts of the draft involving income tax deductions.

Prime Minister Morihiro Hosokawa has staked his political future on the successful passage of political reform bills through the Diet by the end of the year.

The coalition government agreed Friday on the outlines of the political reform bills. The coalition comprises the

Social Democratic Party (SDP), Shinseito (Japan Renewal Party), Komeito, the Japan New Party (JNP), Sakigake (Harbinger), the United Social Democratic Party and the Democratic Reform Party.

The bills, which will be submitted during the next ordinary Diet session slated to convene next month, are aimed at revamping the current electoral system for the powerful House of Representatives and tightening curbs on political funding.

Hosokawa's coalition government is under fire from the largest opposition Liberal Democratic Party (LDP) for its 600 billion yen subsidy program as part of the political reform package. The program calls for every Japanese citizen to pay 500 yen in an effort to help clean up Japan's "money politics."

Also under the reform package, the current multi-seat constituency system in the lower house will be replaced by a system combining 250 single-seat constituencies and another 250 seats via proportional representation.

In a bid to stop corruption in Japanese politics, the coalition government also agreed on an immediate ban on corporate donations to individual politicians and a review of donations to political parties five years after the bills are enacted.

Mori on Subsidies, Proportional Representation

OW2808100693 Tokyo KYODO in English 0752 GMT 28 Aug 93

[Text] Tokushima, Aug. 28 KYODO—Liberal Democratic Party (LDP) Secretary General Yoshiro Mori said Saturday [28 August] that he will oppose the coalition government's proposal on public subsidies for political parties' activities as part of political reform.

At a news conference here, Mori expressed his opposition to the government plan that some 60 billion yen, a per-capita levy of 500 yen, should be earmarked as public subsidies to help political parties in their activities such as election campaigns. "It is doubtful that people will accept the idea," he said.

Mori suggested that 250 yen is appropriate as a per-capita levy for the people to shoulder for the political parties' activities. "(The government's proposal) will leave the possibility for a party to receive public subsidies which exceed its electioneering expense," Mori said.

Touching upon electoral reform for the powerful House of Representatives centering on a combination of single-seat constituencies and proportional representation, Mori said the number of seats should be sliced to 471 from the current 511 as stipulated in the public office election law.

Referring to a controversial voting method, Mori said that he favored a single-ballot system, in which voters cast a ballot for an individual in a single-seat arena and the ballot is automatically counted as a vote for a party in proportional representation.

The government agreed to introduce a combination of 250 single-seat districts with 250 seats distributed on a proportional basis with a double-ballot method for the two systems to replace the present multiseat constituencies, widely believed to be a hotbed of endless "money" corruption.

The seven-party coalition government reached an accord on the outlines of political reform bills Friday, which aim at rehabilitating the lower chamber's electoral system and stepping up restrictions on political funding.

Tanaka: Hosokawa Indecisive, Lacks Initiative

OW3008100493 Tokyo KYODO in English 0912 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—Prime Minister Morihiro Hosokawa is indecisive and lacks initiative or ideas, Liberal Democratic Party (LDP) legislator Makiko Tanaka, the daughter and confidante of a former premier, said Monday [30 August]. "I can't say who is taking the initiatives, whether it is (Shinseito [Japan Renewal Party] co-leader) Ichiro Ozawa or Komeito [Clean Government Party] or its backup religious organization Sokka Gakkai, but one thing is certain, it is not Hosokawa," Tanaka said at a Foreign Correspondents Club of Japan luncheon.

LDP breakaway Shinseito and Komeito are members of the seven-party coalition government.

"He became prime minister most ill-prepared...[ellipses as received] He is simply waiting for others to come up with ideas," Tanaka said, describing Hosokawa as a close acquaintance who once entreated her to become a candidate for his infant Japan New Party. "He should be more confident of public support."

Hosokawa enjoys high support ratings of over 70 percent and has popular policies such as deregulation, but Tanaka, herself a newcomer to Parliament, said she was dubious about whether he would be able to translate his platform into action.

A former LDP governor and member of the House of Councillors, Hosokawa launched the coalition government three weeks ago after running in his first House of Representatives election in July.

Tanaka, 49, said she decided to join the LDP after being elected to the House of Representatives as an independent because she wanted to pursue her interest in welfare, and there were no committee seats available for independents. She said she had applied to the party before the election, but the LDP was too shell-shocked over the departure of Ozawa's renegade group, and never responded.

Both the LDP and Shinseito are tainted by corruption and need to "clean up their own homes first," she said.

Speaking at the same rostrum where her father, then Prime Minister Kakuei Tanaka, in 1974 was first publicly grilled on his involvement in financial scandals that eventually forced him to resign, Tanaka said she could speak with "complete peace of mind" because she was "immune" to such allegations of wrongdoing.

Tanaka campaigned in her father's former constituency in Niigata Prefecture on a pledge to improve the nation's welfare system, a field in which she gained personal experience while caring for the former prime minister after he was debilitated by a stroke in 1985.

In her other area of interest, education, Tanaka said the Education Ministry's textbook screening system, often blamed by critics as a way to whitewash history, should be scrapped.

"No longer do we live in an age where a government bureaucrat should check textbooks, cover up the past, or misrepresent the past," she said.

Ibaraki Governor Said Bribed by Contractor

OW2808155093 Tokyo KYODO in English 1403 GMT 28 Aug 93

[Text] Mito, Aug. 28 KYODO—Major construction contractor Kajima Corp. gave former Ibaraki Gov. Fujio Takeuchi 20 million yen in secret contributions in 1991 and 1992, informed sources said Saturday [28 August]. Takeuchi, 75, is under indictment for taking a total of 55 million yen in bribes between 1990 and 1992 from another leading construction contractor Hazama Corp.

Kajima may have paid the money to Takeuchi in an attempt to win his influence in helping the corporation win an order for a 5.6 billion yen dam project and to secure his intervention in winning an estimated 70 billion yen job to build a new government building, the sources said. Kajima is denying it gave Takeuchi any money.

The Tokyo District Public Prosecutors Office is tracing the flow of the money, the motive and the timing of its receipt, the sources said. The sources said that while investigators have still not uncovered all the details, there are strong suspicions the money was passed directly to Takeuchi by top Kajima officials.

Takeuchi has already admitted contact with high-level Kajima officials suspected to have handed him the money but prosecutors said he has given them conflicting responses to inquiries about receipt of the money.

Till now, Takeuchi has admitted to receiving some 30 million yen of secret donations from about 10 construction companies, including Kajima, around the time of the 1991 gubernatorial election. He also received 100 million yen from Kajima, Shimizu Corp., Taisei Corp. and Tobishima Corp. over the years.

Takeuchi, a former senior Construction Ministry bureaucrat, was first elected governor of the prefecture in April 1975 and was arrested July 23 in his fifth four-year term in office. He resigned as governor August 11.

Upper House Member Charged With False Record

OW3108064893 Tokyo KYODO in English 0614 GMT 31 Aug 93

[Text] Nagoya, Aug. 31 KYODO—Prosecutors on Tuesday [31 August] indicted House of Councillors member Shoji Shimma on a charge of presenting a false account of his academic career when running for the July 1992 upper house election. The indictment filed by the Nagoya District Public Prosecutors Office said Shimma falsely claimed in an official election gazette and newspapers that he was admitted to Meiji University in 1953 and left it without a diploma.

Shimma was elected to the upper house for the first time in the election.

Prosecutors said the 58-year-old legislator also falsely told an audience of about 700 people in Nagoya during the official election campaign in July 1992 that he studied in Switzerland when he was a junior high school student.

The Public Offices Election Law prohibits candidates from making in public false career claims with the aim of winning an election. The article of the law carries a penalty of up to two years in prison or a fine of up to 100,000 yen.

It is the first time a Diet member has been indicted on this charge.

Shimma, a former radio personality, ran in the election on the ticket of the Democratic Socialist Party (DSP), then an opposition party and now one of the seven ruling coalition parties. He left the party after police questioned him about the alleged falsified academic record.

The Aichi prefectural headquarters of the DSP said it will ask Shimma to resign as an upper house member.

Prosecutors indicted Shimma without arresting him. Shimma could not be contacted at his office.

A secretary of Shimma said Tuesday the legislator has not decided if he would resign. If Shimma is convicted and his sentence is finalized, his election will be invalidated under the law.

The Diet member has admitted he never entered Meiji University nor studied in Switzerland, but he has refused to resign, attributing the release of false career claims to a mistake by his office staff.

Police sent the case of Shimma to the prosecutors' office last October after a citizens' group filed a criminal complaint against him. The group has gathered more than 60,000 signatures demanding his resignation, group members said.

One of the losing candidates in the election filed a civil lawsuit in August 1992 demanding that Shimma's election be declared null and void. The Nagoya High Court rejected the suit last December and in July this year the Supreme Court upheld that verdict.

Budget Requests for Government Investment Increase

OW2808092293 Tokyo KYODO in English 0808 GMT 28 Aug 93

[Text] Tokyo, Aug. 28 KYODO—Requests for the government's fiscal investment and loans program for fiscal 1994 increased 9 percent from the current fiscal year to 39.99 trillion yen, the Finance Ministry said Saturday [28 August].

The program is known as the nation's "second budget" due to its scale. By comparison, the initial general-account budget for the current fiscal year was 72.35 trillion yen.

Funds requested for public works enterprises decreased by 2 percent, a ministry official said, adding that this might seem strange in light of the recent increase in such spending under various economic stimulation programs. But the official said it is largely due to the fact that the figure is already at relatively high levels, reaching 5.74 trillion yen in requests for fiscal 1994.

The housing loan corporation sought 8.2 trillion yen, up 19 percent from fiscal 1993 requests, and a 15 percent rise to 12.69 trillion yen was requested by other public lending and banking institutions.

Other public enterprises asked 7.56 trillion yen, up 6 percent, while municipal public institutions solicited 5.8 trillion yen, up 2 percent.

The official said he expects about 10 trillion yen will be raised from postal savings and 6.52 trillion yen from pension funds to fund the fiscal 1994 program on fiscal investment and loans, but how much will be procured from postal insurance remains to be seen. He also said demands as well as disbursements by the program fund are reaching a peak, considering the nature of the money, which is not a grant and must eventually be reimbursed to the original depositors together with interest.

The official did not say how far the requests will be admitted, but joked that if the ministry approved everything, that would be a denial of its raison d'etre.

The program for the following fiscal year is usually approved by the Cabinet in late December together with the main draft budget.

General Account Expenditure Requests Figures

OW2808090493 Tokyo KYODO in English 0813 GMT 28 Aug 93

[Text] Tokyo, Aug. 28 KYODO—General-account expenditure requests for the fiscal 1994 national budget total 76.74 trillion yen, up 6.1 percent from the initial 1993 budget, the Finance Ministry said Saturday [28 August]. But they are down from the previous year's requests of 77.4 trillion yen, and even include repayments worth about 1.54 trillion yen in fiscal 1992 budget shortfalls covered temporarily with national debt consolidation funds.

Excluding the repayments, general-account expenditure comes to about 75.2 trillion yen, up a scant 3.9 percent, reflecting austere budget conditions, the ministry said. Requests for general operating expenditure were an estimated 41.45 trillion yen, up 3.8 percent, matching the ceiling set August 13, it said.

General operating outlays are the core budget for defense, public works and other key spending that exclude debt servicing and tax grants to local governments.

Requests for debt-servicing are expected to reach about 16.58 trillion yen, up 7.4 percent, and those for local government grants are estimated at about 15.57 trillion yen, down 0.3 percent, the ministry said. In addition, some 1.3 trillion yen is sought for transfer to the special account on industrial investment included in the fiscal investment and loans program.

The ministry will scrutinize the requests to prepare a draft budget, and if everything goes smoothly, the cabinet is expected to approve the draft in late December.

A senior ministry official told reporters, however, that some cutting and adding are necessary primarily in public works on the basis of flexible, consumer-oriented allocations as advocated by Prime Minister Morihiro Hosokawa.

If requests are not accepted fully, concerned ministries and agencies usually call for renegotiations to get the most they can.

Speaking on condition of anonymity, the official said flexible assessments should be made on public works and other investment outlays in general operating expenditure. For education, social security and other ordinary expenditure, however, he said most of those outlays are for fixed systems closely linked to living, so sharp changes are unlikely.

Considering the shortfall repayments adding to the tight budget, he rejected the possibility of a need to issue deficit-covering bonds or hiking taxes.

'Major Points' of Deregulation Outlined

OW3108144293 Tokyo KYODO in English 1411 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Following are major points of deregulation outlined by ministries Tuesday [31 August].

1. Creation of new businesses and expansion of existing businesses:

—Lowering the minimum production volume required for licensing of beer brewers.
—Easing regulations for the opening of natural gas service stations for automobiles.
—Easing weight restrictions on large trucks.
—Enhanced use of artificial satellites.
—Permission for sales of portable telephones.
—Facilitating reception of international television broadcasts.

—Easing restrictions on cable television.

2. Promotion of competition and deregulation of pricing:

—Easing restrictions on liquor licenses for large-scale retailers.
—Flexible implementation of tenders for free market rice distribution.
—Review of regulations on the opening of large-scale retail stores.
—Restrictions on the opening of gasoline service stations.
—Easing regulations on truck transport rates.
—Review of regulations on taxi fares.
—Introduction of long- and medium-term deposits and variable- interest deposits.

3. Import promotion measures:

—Enhanced application of self-imposed certificates for consumer products.
—Acceptance of standard certificates provided by foreign makers for construction materials.
—Expanded application of certificates by private institutions for imported materials for public works projects.
—Partial abolition of licensing for manufacturing or importing raw materials for pharmaceutical products.

Agriculture Minister Proposes Income Tax Cut

OW3108032593 Tokyo KYODO in English 0312 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Farm Minister Eijiro Hata on Tuesday [31 August] called for an income tax reduction in the next fiscal year starting April 1.

Hata, Minister of Agriculture, Forestry and Fisheries, told a press conference after a cabinet meeting that an income tax cut "needs to be included in the tax reforms (for the new fiscal year) to be worked out at the end of the year." But Hata rejected financing the proposed tax cut with issues of debt-servicing bonds.

He suggested bridging bonds and surplus funds likely to be created from revision of the nation's ratio of direct to indirect tax revenues as possible alternative sources of financing the cut.

Finance Minister Indicates No Discount Rate Cut

OW3108024093 Tokyo KYODO in English 0216 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Japanese Finance Minister Hirohisa Fujii indicated Tuesday [31 August] that the government does not intend to cut the official discount rate to stimulate the economy, at least for the time being. Fujii told a regular news conference after a morning cabinet meeting that the government is planning to jack up the economy through measures such as deregulation and passing the benefits of the yen's appreciation on to consumers for the time being, instead of taking further fiscal or monetary steps.

Fujii's remarks came after a Japanese wire service reported late Monday that the Bank of Japan would cut the key lending rate, which it charges to commercial banks, by 0.5 or 0.75 percentage point by the end of September. The rate is currently at a record low 2.5 percent per year.

The finance minister said market rates are already coming down, and although it may be a result of slower business conditions, it is also true that lower rates are good for the economy when it is recovering.

Economic ministers will hold a second meeting Tuesday evening to discuss the latest data on the economy and possible ways to pull it out of the slump.

In their first such meeting, in early August, they decided to concentrate on encouraging early implementation of public works spending and to promote an easing of regulations to help spur domestic demand by tackling structural problems.

Referring to the compilation of the draft budget for the next fiscal year, starting next April, Fujii said the cabinet will seek to step up its role and take initiatives, marking a break with the usual practice in which the budget is drawn up through negotiations between the Finance Ministry and other ministries and agencies.

He said that in accordance with Prime Minister Morihiro Hosokawa's inauguration pledge, the cabinet will focus on improving living conditions for ordinary people, and work to change the way that tax money is used.

Industrial Production Falling 'Streak' Reported

OW3108080593 Tokyo KYODO in English 0738 GMT 31 Aug 93

[Text] Tokyo, Aug. 31 KYODO—Japan's industrial production turned lower in July, falling a seasonally adjusted 0.3 percent from the previous month, the Ministry of International Trade and Industry [MITI] said in a preliminary report Tuesday [31 August].

The June figure for output at factories and mines had shown an increase of 1.9 percent, the first rise in three months. On an unadjusted basis, industrial production in July fell 4.5 percent from a year before, extending the falling streak to a record 22 months.

The previous record decline was 20 months in a row from May 1974 through December 1975.

Shipments in July remained unchanged from the preceding month. They had posted a 2.7 percent gain in June for the first rise in three months.

On a year-on-year basis, shipments declined 4.0 percent, scoring the fourth consecutive month of yearly falls.

July inventories rose 1.1 percent from the previous month. The June figure had posted a rise of 0.6 percent for the second straight monthly increase.

On a year-on-year basis, inventories fell 4.0 percent, the eighth straight monthly drop. The downswing in July output was chiefly ascribed to slower production in vehicles, particularly small passenger cars, MITI said.

Other production items on the downside were paper-pulp, nonferrous metals, steel and precision machines, MITI said.

On the other hand, output of petroleum and coal products, toys and metal products increased.

MITI said shipments of copper cable and other nonferrous metals declined, along with petroleum, coal and metal products. But this was offset by larger shipments of vehicles and steel.

Japan's industrial production will remain stagnant ahead, reflecting uncertainty over developments in final demand, said Koichi Yoshimoto, chief of MITI's statistics and analysis division.

He also said inventory adjustment progressed in a broader perspective but its pace has dropped recently. The inventory-to-sales ratio in July rose 1.3 percent from the previous month. In June, the ratio decreased 1.1 percent.

Excessive inventories are still felt by many corporations, Yoshimoto said, noting adjustment has been particularly retarded in production goods.

Inventories are not on a level strong enough to put downward pressure on overall production but they have yet to reach levels to lift output significantly, Yoshimoto said. He said it is uncertain about when the adjustment will end.

On the yen's recent strength, he said MITI will keep a close watch on its possible effects on industrial production. Specific effects from the higher yen have yet to come out in industrial output, Yoshimoto said.

MITI expects industrial output to drop 1.0 percent in August from the previous month and rise 1.5 percent in September.

Big Three Carmakers Placed on Credit Watch

OW3008083193 Tokyo KYODO in English 0709 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—The ratings of Japan's three major automakers and their affiliates were placed on credit watch by Standard and Poor's Asia Inc. on Monday [30 August]. The Standard and Poor's Corp. unit said the AAA long-term ratings of Toyota Motor Corp. was on credit watch for possible downgrading along with those of its affiliates—Toyota Motor Credit Corp., Toyota Motor Finance (Netherlands) B.V., Toyota Finance Australia Ltd. and Toyota Credit Canada Inc.

The A-1 plus short-term ratings of Toyota Motor, Toyota Motor Credit, Toyota Motor Finance (Netherlands) and Toyota Deutschland GMBH were affirmed.

The A long-term and A-1 short-term ratings of Nissan Motor Co. and related entities—Nissan Motor Acceptance Corp., Nissan International Finance (Netherlands) B.V. and Nissan Capital America Inc.—were placed on credit watch with negative implications, the credit rating agency said.

It also placed on credit watch with negative implications the A-1 short-term ratings of American Honda Finance Corp., American Honda Motor Co. and Honda International Finance B.V.

These steps reflect "the dramatic worsening of already difficult auto industry conditions," said standard and poor's Asia.

The yen's appreciation against the dollar by 17 percent in the last few months will further reduce the Japanese carmakers' earnings, the agency said. The automakers' competitiveness will be further eroded if they continue to raise prices to offset the negative effects of the strong yen, it also said.

Jul Vehicle Exports Down 13.9 Percent

OW3008055793 Tokyo KYODO in English 0510 GMT 30 Aug 93

[Text] Tokyo, Aug. 30 KYODO—Japan's vehicle exports in July marked the fourth straight month of year-on-year decline, slumping 13.9 percent from a year earlier, an industry group said Monday [30 August].

July exports of cars, trucks and buses amounted to 404,178 units, compared with 469,607 registered a year before, the Japan Automobile Manufacturers' Association said.

On a month-to-month basis, the exports edged up 0.4 percent from June's 402,394 units, which was the lowest total since June 1979 when the Japanese economy was struggling with an oil crisis.

The continuous weak exports apparently reflect slack demand in such major markets as the United States and the European Community (EC).

U.S.-bound shipments rose a marginal 1.9 percent, staying above the year-earlier levels for the second month in a row, while those for the 12-nation EC suffered the sixth consecutive month of decline.

In the latest reporting month, passenger car exports marked their fourth consecutive month of year-on-year losses, dropping 14.3 percent to 311,839 units.

Truck shipments totaled 86,305 units, down 13.4 percent, while exports of buses came to 6,034 units, up 0.7 percent.

Agency: Cost of Living Still Highest in Tokyo

OW2708131593 Tokyo KYODO in English 1159 GMT 27 Aug 93

[Text] Tokyo, Aug. 27 KYODO—The cost of living remains far higher in Tokyo than in other major world cities, with the price differential widening rather than narrowing over the last year, a government survey said Friday [27 August].

Goods and services were 1.31 times more expensive in Tokyo than in New York last November when the survey was last conducted, compared with 1.26 times recorded the year before, the Economic Planning Agency (EPA) said.

The study compared the prices on 330-400 common goods and services in Tokyo, New York, London, Paris, and Berlin, using the average foreign exchange rate for last year of 126.65 yen to the dollar. It found that the price index for New York dropped to 76 from the previous year's 79 against the base 100 for Tokyo.

The figure for London came to 89, down from 92, while that for Paris rose to 88 from 86. The index for Berlin, which joined the survey for the first time, was 83.

Commenting on the survey, an EPA official said, "the price gap widens as the yen rises...If we were to calculate the prices with 100 yen to the dollar, the differential would be wider."

Tokyo prices were particularly high in property-related services like rents, parking charges, and hotel rates. In this category, the index for New York was about half that for Tokyo.

Other key items like clothes and shoes and foodstuffs were found to be also far [more] expensive in Tokyo than other major cities, with wines, for instance, five times more costly in Tokyo than Berlin. By contrast, Tokyo offered cheaper prices for durable goods like automobiles and camcorders than the others except New York, according to the survey.

Bidding 'Heated' at Osaka Auction of Rice

OW3108050393 Tokyo KYODO in English 0447 GMT 31 Aug 93

[Text] Osaka, Aug. 31 KYODO—Newly produced rice received hefty bids in an auction held in Osaka on Tuesday [31 August] since this year's rice crop is shaping up to be the worst in four decades due to poor weather.

In the first auction for fiscal 1993 harvests of "jishu-ryutsu-mai" rice, bids for all five brands—including the popular "Koshihikari" brand put on the auction block in the morning—reached the maximum prices.

Maximum prices are set at 5 percent above standard figures.

Though its production is controlled by the government, jishu-ryutsu-mai can be sold on the free market. The other government- approved rice, "seifu-mai," is sold directly to the government, which resells it at subsidized prices to consumers.

Of the estimated 10 million tons of rice consumed in Japan each year, 6 million tons is distributed through government-approved channels.

Jishu-ryutsu-mai rice accounts for 70 percent and seifu-mai 30 percent of the 6 million amount, while the remaining 4 million tons is consumed by growers or distributed through nonapproved channels.

Participants said that in heated bidding, the number of applications for bids was as much as 10 times higher than the actual volume of rice, reflecting concerns about a possible shortage of rice in the coming year.

The government's harvest index for the 1993 crop of paddy-grown rice as of August 15 was considered rather poor, 95 against the average annual harvest of 100. The index matched the postwar record low posted as of the same date in 1953. Later in the same year, the index reached 84.

Increased Rice Production Next Year Considered

OW3108051093 Tokyo NHK General Television Network in Japanese 0300 GMT 31 Aug 93

[From "NHK News" program]

[Text] In a news conference following a cabinet meeting today [31 Augsut], Eijiro Hata, minister of agriculture, forestry and fisheries, spoke about the problem of the expected sharp decline in this year's rice crop as a result of bad weather conditions, and said his ministry is thinking about raising the nation's rice crop next year by easing plans for reduction of rice farm acreage for the year.

Minister Hata noted the rice crop index for 1993 announced on 27 August was 95—a level which is rather bad—and is the lowest figure since 1953. He added that while he still has much hope that concerned offices' efforts for technical guidance and expanded purchases as well as improved weather conditions will make the situation better, the ministry wants to review the plans on the reduction of rice farm acreage next year, after seeing the revised crop index that comes out at the end of September.

He thus revealed that his ministry is thinking about easing plans for the reduction of rice farm acreage next year in order to increase the production of rice for next year.

Recession Reportedly Brings Drop in Pollution

OW2708122893 Tokyo KYODO in English 1117 GMT 27 Aug 93

[Text] Tokyo, Aug. 27 KYODO—Decreased economic activity, and not compliance with the nation's emission standards, is the main reason for large drops in nitrogen dioxide concentrations in the atmosphere in major cities, the Environment Agency said Friday [27 August].

The agency said its survey of nitrogen dioxide concentrations in Japan's major cities for fiscal 1992, which ended March 31, showed an increasing number of observation points met the standards set by the agency. But agency sources said this is mainly due to decreased economic activity. They warned that air pollution remains a serious problem.

Among the observation points in 128 designated built-up or metropolitan areas, including Tokyo and Saitama and Chiba Prefectures—where severe restrictions apply to the volume of nitrogen dioxide from automobile exhausts— 26.1 percent exceeded the environmental standard of 0.06 parts per million (ppm). This was an overall drop of 18.7 percentage points from the previous year's figure.

Among observation points specifically set up to record automobile emissions, the percentage where nitrogen dioxide levels exceeded the standard was 54.7 percent, a drop of 19.8 percentage points.

In 45 designated cities and towns in Osaka and Hyogo Prefecture, nitrogen dioxide levels at 23.9 percent of the observation points exceeded the standard, an 11.4 percentage point drop over the previous year. In the same area, levels at 52.6 percent of points specifically recording automobile emissions exceeded the standard, a 15.3 percentage point drop from the previous year's figure.

The agency sources said strengthened restrictions over emissions appeared to be one reason for the drop. But they said the main reason was a big drop in the annual economic growth rate from the previous year's 3.4 percent to 0.8 percent, and a consequent decrease in the volume of freight traffic to 1988 levels.

North Korea

KCNA Reacts to South Report on IAEA Talks

SK3108110393 Pyongyang KCNA in English 1039 GMT 31 Aug 93

["Mean Act of Neurotics"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—"Social and Educational Broadcasting System" of South Korea recently aired a threatening report that the forthcoming negotiation between the DPRK and the International Atomic Energy Agency would be an important turning point deciding the rise and fall of the socialist system of the North and that if the North would not accept the demand for "special inspection," the U.N. Security Council would immediately take economic sanctions against it.

This is an overt provocation against the North and a despicable act to lay artificial hurdles in the way of the negotiation between the DPRK and the IAEA.

As is known, it was agreed at the DPRK-U.S. talks in Geneva that debate would concentrate on the partiality of the IAEA. Accordingly, the negotiation to be held in Pyongyang would mainly discuss the question of correcting the past unreasonable behavior of the IAEA toward the DPRK.

The partiality of the IAEA is one of the main causes of the complication of the fictitious "nuclear problem" of the DPRK today. So, it is quite natural that the forthcoming negotiation should concentrate discussion on correcting it.

The South Korean authorities, however, are crying for "special inspection" and "sanctions" with the mobilization of paid trumpeters, contrary to the nature of the negotiation. This shows to what extent they have gone in their anti-national acts.

It is imprudent and obtrusive of the South Korean authorities with no right and say to poke their nose into the negotiation between the DPRK and the IAEA and raise this or that question.

It is not difficult to guess why the South Korean authorities hurl senseless slanders on the negotiation like neurotics.

Utterly upset by the progress at the two rounds of DPRK-U.S. talks, they are resorting to mean intrigues to frustrate the forthcoming negotiation between the DPRK and the IAEA, put a brake on the next DPRK-U.S. talks, induce the United Nations to take "sanctions" and stifle the North at any cost.

The South Korean authorities must act with discretion, mindful that "sanctions" against the North would end in their own destruction.

KCNA Denies Story of Envoys Arrested in PRC

SK3108111393 Pyongyang KCNA in English 1033 GMT 31 Aug 93

["'Case of Black Market Deal of Dollars' Is Despicable False Propaganda"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—The South Korean newspaper CHOSON ILBO recently carried a groundless report that officials of the DPRK Embassy in China were arrested by security men while attempting to exchange U.S. dollars for renminbi quietly at a place near the Guowu Hotel in Beijing.

A detailed inquiry disclosed that this is a totally unfounded report, a sheer fabrication.

It is inconceivable and out of the question that diplomats of the DPRK, a dignified country, should engage themselves in a black market deal of dollars abroad.

The report of CHOSON ILBO is nothing but a despicable, dirty demagogy invented by the South Korean authorities to mislead public opinion, finding themselves in a sorry plight, hit hard at home and abroad.

The South Korean authorities seek through such fabrications to impair the international prestige of the DPRK mounting with every passing day with the successful progress of the DPRK-U.S. talks and tarnish the image of the Korean-style socialism centred on the masses.

It is not hard to gather that their wicked intention to drive a wedge between the DPRK and China linked together by traditional relations of friendship and cooperation is lurking behind this dastardly, false propaganda of theirs.

Recently, the South Korean authorities fabricated one case after another, such as "a shooting case" on the

Korea-China borderline and "a case of desertion" of People's Army soldiers, in an attempt to damage the friendly relations between the DPRK and China. Such tricks failing to work, they invented this time the "case of black market deal of dollars" by officials of the DPRK Embassy. The more despicable case they invent, the clearer the true color of the "civilian regime" as a trickster will become to the whole world.

Judging from the fact that the South Korean rulers have repeatedly and hurriedly invented such short-lived, unfounded, false cases, it is obvious that their position is quite wretched.

Facts vividly tell that the South Korean authorities are old hands at fabrication who would stoop to any infamy to attain their dirty ends, and ugly guys bereft of human morality and conscience.

High-Level Cambodian Delegation Arrives 31 Aug

SK3108052093 Pyongyang KCNA in English 0412 GMT 31 Aug 93

[Text] Pyongyang, August 30 (KCNA)—A high-level delegation of the Provisional National Government of Cambodia led by President Son Sann and First Vice-President Chea Sim of the National Constituent Assembly and Co-Prime Ministers His Royal Highness Prince Norodom Ranariddh and Hun Sen arrived here today on an official goodwill visit to Korea at the invitation of the Government of the Democratic People's Republic of Korea.

Many working people warmly welcomed the guests at the airport.

The guests were met at the airport by Premier Kang Song-san, Vice-Premier and Foreign Minister Kim Yong-nam, Chairman of the Supreme People's Assembly Yang Hyong-sop, Chairman of the C.C. [Central Committee], the Korean Social-Democratic Party Kim Pyong- sik, officials concerned, and ministers of state for the cabinet of Samdech head of state of Cambodia His Royal Highness Prince Norodom Sihanouk and Chhorn Hay [as received] and Cambodian Ambassador to Korea Oum Mannorine.

A ceremony took place at the airport in welcome of the delegation.

Sihanouk Meets Delegation

SK3108053093 Pyongyang KCNA in English 0415 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—His Royal Highness [H.R.H.] Samdech Norodom Sihanouk, head of state, chairman of the Supreme National Council and supreme commander of the Armed Forces of Cambodia, on a goodwill visit to Korea, Monday [30 August] met a high-level delegation of the Provisional National Government of Cambodia on an official goodwill visit to the Democratic People's Republic of Korea at the invitation of its government.

Present on the occasion were the members of the high-level delegation of the Provisional National Government of Cambodia led by President Son Sann and First Vice-President Chea Sim of the National Constituent Assembly and Co-Prime Ministers His Royal Highness Prince Norodom Ranariddh and Hun Sen.

H.R.H. Samdech Norodom Sihanouk conversed with the members of the delegation.

He arranged a banquet for them and saw a film with them in the evening.

Friendship Group Celebrates SRV National Day

SK3108053993 Pyongyang KCNA in English 0427 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—A friendly gathering was held at the Korea-Vietnam Friendship Pyongyang Tonghung Senior Middle School on August 30 on the occasion of the 48th national day of the Socialist Republic of Vietnam.

Vietnamese Ambassador to Korea Duong Chinh Thuc and his embassy officials were invited.

Present there were Chon Yon-ok, vice-chairperson of the Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Vietnam Friendship Association, and other officials concerned.

The participants appreciated a performance by the school children's art circle members.

U.S. Conducts 'Aerial Expionage' in Exercise

SK3108053193 Pyongyang KCNA in English 0418 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—The U.S. imperialists committed aerial espionage on the northern half of Korea this month with the mobilization of various types of spy planes, according to military sources.

They let a U-2 make shuttle flights in the sky above the Tokchok Islet, Pochon, Inje and Kochin on the 26th, 28th and 30th for the purpose of espionage on the strategic interior and all other areas of the northern half of Korea.

On the 29th and 30th, an RV-1 made an espionage flight above the Military Demarcation Line to spy upon the frontline area and coastal areas of the northern half of Korea.

Entering this month, they sent various tactical reconnaissance planes on over 150 espionage missions against the northern half of Korea. Such cases numbered more than 90 in the days from August 17 to 30 when the "Ulchi Focus Lens" joint nuclear war exercises were staged.

Such aerial espionage by the U.S. imperialists is an open challenge to peace and the relaxation of tension on the Korean peninsula.

WPK Secretary Receives Pakistani Delegation

SK3108060793 Pyongyang KCNA in English 0431 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea [WPK], met and had a friendly conversation with the delegation of the Pakistan Labour Federation headed by its General Secretary Haji Mohammad Saeed at the Mansudae Assembly Hall on August 30.

Present there was Yi Chin-su, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea.

The head of the delegation said the Korean working people could successfully build socialism centred on the popular masses under the wise leadership of the great President Kim Il-song and the dear leader Secretary Kim Chong-il.

With free medical care and free education in force in Korea, everyone lives a happy life, benefiting from the party and the state, without any worry about medical treatment, education and housing, he added.

He voiced full support to "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by President Kim Il-song and extended firm solidarity to the Korean people in their struggle for the independent and peaceful reunification of the country.

Press Interviews Socialist Youth of Spain Guest

SK3108042393 Pyongyang KCNA in English 1503 GMT 30 Aug 93

[Text] Pyongyang, August 30 (KCNA)—Korean young people, under the wise leadership of the party and the leader, are now playing the role of a vanguard in defending the best socialist system centered on the popular masses and performing heroic feats in the revolution and construction.

Jose Maria Crespo Lorenzo, general secretary of the Socialist Youth of Spain, said this in a press interview here.

Korea where everything had been reduced to ashes by the imperialists' war of aggression could become a strong socialist power because the youths are wisely guided by the great leader and the great party, the general secretary said, adding:

The Korean young people are closely united around the party and the leader in one mind and purpose.

There is no such proud and happy young people as the Korean youths who are vigorously struggling for the country and the people and a brighter future under the wise leadership of the great leader.

Workers' Party Cables Finnish Communist Party

SK2808055393 Pyongyang KCNA in English 0412 GMT 28 Aug 93

[Text] Pyongyang, August 28 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on August 27 sent a message of greetings to a conference of the Communist Party of Finland (Unity).

It expressed the belief that the party conference would mark an important occasion in the party's activities for its strengthening and development and for peace and socialism and that the relations between the WPK and the Communist Party of Finland (Unity) would continue to develop on good terms in the future.

Kim Il-song Sends Greetings to Heads of State

To Libya's al-Qadhdhafi

SK3108112293 Pyongyang KCNA in English 1027 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of the great Socialist People's Libyan Arab Jamahiriyah, on the occasion of the 24th anniversary of the great September First Revolution in Libya.

In the message President Kim Il-song said the Libyan Arab people now under the leadership of Mu'ammar al-Qadhdhafi are actively striving to defend the national dignity and sovereignty and attain the country's prosperity, overcoming all sorts of difficulties.

He wished Mu'ammar al-Qadhdhafi and Libyan Arab people greater success in their work and expressed the belief that the friendly and cooperative relations between the two countries would grow stronger and develop

To New Singapore President

SK3108063293 Pyongyang KCNA in English 0449 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea on August 30 sent a message of greetings to Ong Teng Cheong, upon his election as president of the Republic of Singapore.

Expressing the belief that the friendly relations between Korea and Singapore will further develop in the interests of the two peoples, the message wishes him success in his work for the prosperity of the country.

Kim Il-song Receives Thanks From Seychelles

SK3108063093 Pyongyang KCNA in English 0452 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea received a letter of thanks from Seychellois President

France Albert Rene in connection with the completion of the construction of "Solidarity Stadium" with DPRK aid.

The president in the letter said he expresses thanks and appreciation for the great aid including the sending of competent experts and building materials for the construction of "Unity Stadium" in Seychelles to help her host the 4th sports games of Indian Oceanic countries.

The aid of your country to the people and the youth of Seychelles clearly shows that the friendly and cooperative relations between the two countries are very good, he said in the letter.

He wished the president continued success in all work to achieve national reunification and bring peace, stability and prosperity to the entire Korean people.

SKNDF Mission in Japan Marks 24th Anniversary

SK2808110393 Pyongyang KCNA in English 1035 GMT 28 Aug 93

[Text] Pyongyang, August 28 (KCNA)—A spokesman for the Japan mission of the South Korean National Democratic Front [SKNDF] (Hanminjon) reportedly issued a statement on August 25 on the occasion of the 24th founding anniversary of Hanminjon.

He said the founding of the revolutionary party for reunification, the predecessor of Hanminjon, on August 25, 1969 was a precious result of the bloody struggle of patriotic fighters to build a vanguard party of the people.

Recalling that since its founding Hanminjon has deeply struck its roots among the masses and dynamically led the struggle for independence, democracy and reunification, he said the end of the military "regime" in South Korea shows a progress in the unremitting struggle of the South Korean people for national independence and democracy against fascism.

He charged that the Kim Yong-sam "regime" which had advocated "priority to the nation" right after its emergence has aggravated confrontation and division in actuality by raising a hue and cry over the fictitious "nuclear threat from the North" in collusion with outside forces and even by staging large-scale joint military exercises with the U.S. forces.

"The Hanminjon mission in Japan will more vigorously fight for national independence, a true democratization of society and national reunification by achieving the great unity of all the people in South Korea in the spirit of national independence," he said.

SKNDF in Cuba Broadcasts to Americas

SK2908104793 Pyongyang KCNA in English 1009 GMT 29 Aug 93

[Text] Pyongyang, August 29 (KCNA)—Yi Chong-sang, chief of the mission of the South Korean National Democratic Front [SKNDF] in Cuba, on August 23 made a radio speech to the Koreans in the Americas over the Havana International Radio, according to a report.

Exposing the anti-independence, anti-democracy and anti- reunification acts of the Kim Yong-sam "regime" which styles itself "civilian government", the chief said: The present South Korean authorities have wholly undertaken the unwarrantable stance and stand of the successive military dictators toward the problem of reunification.

If they truly have the intention to achieve reunification, he went on, the South Korean authorities must abolish all the evil laws including the "National Security Law", disband the "Security Planning Board" and the "Secret Affairs Command", probe the truth of the "December 12 army purge coup" and the Kwangju massacre and punish their culprits.

He called upon the Koreans in Americas to take an active part in the all-national march to open a new phase for national reconciliation and unity and for the country's reunification.

Newspaper Commemorates Kyrgyzstan's Independence

SK3108103693 Pyongyang KCNA in English 1017 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—MINJU CHOSON today dedicates an article to the second anniversary of the independence of Kyrgyzstan.

The article says:

In the past period since the independence the Kyrgyzstan people have made efforts to consolidate political independence and develop the national economy. The Government of Kyrgyzstan is developing friendly relations with other countries on the principles of neutrality and non-alignment. Korea and Kyrgyzstan are developing friendly and cooperative relations in conformity with the idea of independence, peace and friendship. The establishment of diplomatic relations between the two countries on January 21, 1992, marked a new milestone of friendship. The Kyrgyzstan people will achieve greater success in the efforts for national unity and the development and prosperity of the country.

Daily Comments on South's Former Presidents

SK3008051193 Pyongyang KCNA in English 0455 GMT 30 Aug 93

["Who Defends Chief Culprits in Irregularities"—KCNA headline]

[Text] Pyongyang, August 30 (KCNA)—Chon Tu-hwan and No Tae- u, chief culprits in irregularities under the military dictatorship of the "Fifth and Sixth Republics" on August 26 made announcements about the truth behind the irregularities surrounding the "peace dam" and the change of the type of fighter planes, problems which had caused a big public stir in South Korea.

Their arguments about "threat of a flooding operation" from the North, "limited performance of defence capabilities" and the like were all run through with distortion of facts and attempts to evade their responsibility, a NODONG SINMUN analyst today says, and goes on:

What they did was, without exception, the worst crime against the whole nation and treacherous acts against the South Korean people which they committed by maligning fellow countrymen.

What matters is the attitude of the South Korean rulers toward the insolent acts of Chon Tu-hwan and No Tae-u. For all their talk about "eradication of injustices without sanctury" under the "civilian" veil, they do not intend to take action against Chon Tu- hwan and No Tae-u.

This vividly shows that the present South Korean ruling force is an ally of the forces of the "Fifth and Sixth Republics" and a group of traitors who, like them, seek "power security" by tongue-lashing against North.

If the South Korean rulers really pursue "civilian politics" and "eradication of injustices without sanctuary, they must break with the forces of the "Fifth and Sixth Republics" and bring to justice Chon and No, the chief culprits in irregularities.

KCNA Calls South Foreign Minister 'Lunatic'

SK3108055993 Pyongyang KCNA in English 0423 GMT 31 Aug 93

["Last-Ditch Efforts of Lunatic"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—South Korean "Foreign Minister" Han Sung-chu in a recent exclusive interview with Japanese paper YOMIURI SHIMBUN slandered the North again over the fictitious "nuclear problem," arguing that "the North must show a clear stand of totally dispelling nuclear suspicion" and "international sanctions by the UN Security Council, etc. are inevitable."

His remarks, motivated by a criminal intention to offer fellow countrymen as a scapegoat for outside forces, have invited indignation of the people.

As is known, two rounds of DPRK-U.S talks were held, opening a prospect for a fundamental solution of the nuclear problem on the Korean peninsula and proving more clearly the transparency and honesty of the DPRK's nuclear policy.

This notwithstanding, Han shouted himself hoarse for "the removal of nuclear suspicion by the North" and its "clear stand." This is obviously the last-ditch efforts of a lunatic.

It is ridiculous of the South Korean authorities, colonial puppets with no rights and say, to impudently call for "international sanctions."

Han Sung-chu had spoken ill of the DPRK-U.S. talks making progress, while slinging mud at the North, and is now urging the United Nations to quickly take "sanctions" against it. This clearly indicates that the South Korean authorities are at a loss what to do, irritated at the progress of the DPRK-U.S. talks.

Would Han's complaint cut any ice? People will regard his grumble as futile tongue-lashing of a poor guy elbowed out of the main current of the time.

The present ruling forces of South Korea must stop acting rashly, clearly mindful that the more desperately they try to get something with the help of outside forces, antagonizing fellow countrymen, the tighter the noose around their neck will be pulled.

Dailies on South Defense Minister's Comments

SK3108062093 Pyongyang KCNA in English 0438 GMT 31 Aug 93

["Papers on Outcries of S. Korean 'Defence Minister'"—KCNA headline]

[Text] Pyongyang, August 31 (KCNA)—The "defence minister" of South Korea, Kwon Yong-hae, in a recent interview with the KUKPANG ILBO daily hurled mud at the North and cried for "a perfect posture of retaliation" in face of the "possibility of the provocation of war" by the North.

NODONG SINMUN and MINJU CHOSON comment on this today.

The news analyst of NODONG SINMUN says:

This must be taken seriously, being very provocative utterances against the North.

It was the South Korean rulers who rushed headlong along the road of confrontation and war against the North, shaking off the hand offered by the North for great national unity and dialogue. The "civilian" warhawks threw away the North-South agreement and are extensively reinforcing the Armed Forces to build up "strength" for "unification under the liberal democratic system" and reorganising the military structure to drive the puppet army to a war against the North. Especially, they are constantly staging nuclear war exercises against the North in collusion with outside forces. At this moment, too, the frantic Ulchi Focus Lens nuclear war training, a "second Team Spirit," is under way in South Korea.

Nevertheless, Kwon Yong-hae talked about the "possibility of the provocation of war" by the North. This reminds one of a thief crying "stop thief!" Lurking behind this is a sinister intention to step up war preparations against the North under the pretext of the fictitious "threat from the North."

The news analyst of MINJU CHOSON warns that if the South Korean authorities continue to provoke the North through Kwon Yong-hae and act rashly, it will bring them nothing good.

Yi In-mo Sends Letter to Kim Chong-il

SK2908105993 Pyongyang KCNA in English 1015 GMT 29 Aug 93

[Text] Pyongyang, August 29 (KCNA)—The incarnation of faith and will, Yi In-mo, a former war correspondent of the Korean People's Army, 76, sent a letter to the dear leader Comrade Kim Chong-il on August 25.

Yi In-mo returned to the embrace of the socialist motherland on March 19 after undergoing unspeakable sufferings behind bars in South Korea where brutal fascist repression holds sway.

He wrote in the letter that he received a birthday table from the dear leader, greeting his birthday for the first time in 43 years.

Upon receiving the sumptuous birthday table, he said, he was choked with emotion, feeling warmer affection than the love of his mother on his birthdays in his childhood. He wrote:

"You were so kind as to let me go to Mt. Paektu aboard a high- class plane to acquire Paektu spirit and visit my dear hometown and rename the Pabal Primary School after me, an ordinary man. I bow my head to you in gratitude, charmed by your personality, and today you showed me this benevolence which I fear I hardly deserve. Everything seems to me like a dream.

"Going round your old home, Lake Chon on Mt. Paektu and the grand monument at Lake Samji during my tour of Mt. Paektu, I felt ashamed, learning that the anti-Japanese struggle was so rigorous and arduous that it defies comparison with the sufferings I underwent.

"The five months since I was embraced in the bosom of the great leader President Kim Il-song and you, dear leader, have been days of affection shown to me by you."

Saying that he was so sorry and annoyed at being unable to repay the love of the leader, Yi said:

"I, Yi In-mo, your soldier, who was more dead than alive, is reborn into the world and have become able to work, upholding the great leader and you, dear leader, who are the destiny of our nation.

"I intend to write notes and talk with people to the best of my ability from now on."

He wholeheartedly wished Comrade Kim Chong-il a long life in good health.

Three Colleges, Four College Branches Open

SK3108050393 Pyongyang KCNA in English 0409 GMT 31 Aug 93

[Text] Pyongyang, August 30 (KCNA)—Three new colleges and four new college branches have been opened in Korea with the new school year beginning September 1.

The Yongdae College of Technology, the Pyongsan College of Agriculture, the Yongyon College of Agriculture and the spinning mill branch of the Pyongyang College of Technology, the Chiktong branch of the Sinchang College of Technology and two other branches are all institutions of study-while-working type.

The state set it as the general goal of the cultural revolution to turn all members of society into intellectuals and is increasing the number of study-while-working factory colleges, farm colleges and fishermen's colleges, along with full-time colleges and universities.

There are more than 280 modernly furnished colleges and universities in the country.

Some 100 of them are institutions of study-while-working type.

The state builds colleges at major industrial establishments of different sectors of the national economy and major districts of economic development and attaches great importance to giving the working people higher education while on the job.

These colleges positively contribute to assimilating the whole society to intelligentsia by combining education with production and theory with practice on a high plane.

The colleges have departments for workers and training courses of management officials for incumbent administrative and technical officials and educate them in the knowledge of their specific realms.

They have preliminary courses for young workers and demobilised soldiers who graduated from senior middle schools.

The state not only provides the students of factory colleges with all educational conditions but also pays them their full wages when they are absent from work for writing papers and taking examinations organised by the state.

The first factory college was founded in July 1951 in the thick of the rigorous Fatherland Liberation War. Over the 40 odd years since than the factory colleges have trained numerous workers into technicians and management officials, greatly contributing to strengthening the qualitative composition of the native cadres.

Korea has a large army of 1.66 million intellectuals.

Pyongyang Hosts National Symposium of Teachers

SK3108060993 Pyongyang KCNA in English 0433 GMT 31 Aug 93

[Text] Pyongyang, August 31 (KCNA)—A national symposium of teachers in the domain of general education on experiences in teaching and education took place here on August 29 and 30.

It was attended by Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea, Choe Ki-yong, chairman of the State Education Commission, Yi Chong-chu, minister of general education, other officials concerned and senior middle school and primary school teachers across the country who have distinguished themselves in teaching and education.

Introduced at the symposium were successes and experiences made in the work of teaching and education to bring up school children into chuche-type communist revolutionaries who are intensely loyal to the party and the leader and well prepared mentally, morally and physically.

KCNA Reports on Rice, Corn Crops in West

SK3008113693 Pyongyang KCNA in English 1028 GMT 30 Aug 93

[Text] Pyongyang, August 30 (KCNA)—Gratifying bumper crops have visited the cooperative fields on the west coast of Korea, the nation's breadbasket.

The cooperative farms in Anak County, South Hwanghae Province, are rejoiced at rare crops of rice and maize.

An increase of 1 to 2 tons above the peak year is foreseen in rice and maize harvest from each hectare, taking the county as a whole.

Crops are ruling good on the Yongchon plain, North Pyongan Province, too.

The number of the rice ears per pyong (one pyong is six feet square) is 150 more and the number of grains per ear is some 20 more than last year's in the county. And it is foreseen that the per hectare maize yield will be two tons more than last year's average there.

South Korea

Daily Discusses U.S. Sanctions Against China

SK2808025293 Seoul HANGYORE SINMUN in Korean 27 Aug 93 p 5

[Article by O Yong: "The Background of the U.S. Sanctions on China for Missile Exports"]

[Excerpts] On 25 August, the United States took a measure of imposing sanctions on China for exporting missiles. Accordingly, this will bring another round of irritation in U.S.-Chinese relations.

The measure is the manifestation of the U.S. will to firmly press ahead with its policy of preventing the proliferation of mass- destruction weapons, which the United States has kept as a key strategy. Some people believe that the measure is a signal of a harder-line policy toward China than that of the Bush administration. [passage omitted]

China has not signed the Missile Technology Control Regime and, thus, has gotten on the nerves of the United States, which tries to exercise absolute influence over the international weapons market. [passage omitted]

The United States has frequently urged China not to export mass- destruction weapons. In extending the most favored trade status for China in June, which was deemed a cornerstone of the Clinton administration's policy toward China, the United States put forward the condition that China should abide by the paragraph on the prevention of the proliferation of weapons and that China should resolve the issue concerning human rights.

Regardless of such a compromising stance, the United States has decided to impose sanctions on China. This reaffirms the U.S. firm stance toward the prevention of weapons proliferation, including nuclear weapons.

The international weapons market has not been brisk since the end of the Cold War. However, there is a trend that the center of the international weapons market is moving from the Middle East to the Asian region. The United States thinks that China's military expansion and weapons dealings has played an important role in this trend. The United States tries to maintain a military balance in the Asian region by preventing China from launching into the Asian weapons market and by warning against China's military expansion. [passage omitted]

The United States needs China's cooperation. This is because China's political and economic status as a permanent member of the UN Security Council is growing in the international society. Such a fact posed a difficult problem for the United States in deciding to impose sanctions against China. A good example can be found in the North Korean nuclear issue.

Accordingly, some analysts noted the fact that the U.S. decision to impose sanctions on China was made at a time when the North Korean nuclear issue is at a stage in which it can be resolved. This means that the United States has considered that China's cooperation is now less necessary for resolving the North Korea nuclear issue. [passage omitted]

The retaliatory measures that China can take against the United States are very limited. Thus, at present, it is possible that China will only raise its voice denouncing the United States. We can say that by taking advantage of China's "weak point," the United States has taken a measure to maximize its policy on maintaining hegemony in the issue concerning weapons exports.

It seems that the measure of imposing sanctions on China will not deal a basic blow to trade relations between the United States and China. [passage omitted]

One-Third of Foreign Investment To Be in PRC

SK3108084393 Seoul YONHAP in English 0739 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—China attracted over one- third of the investment by South Korean businesses approved in January-July, and the former Soviet republics came second, Bank of Korea (BOK) officials said on Tuesday.

The central bank approved 522 overseas investments worth 930.9 million U.S. dollars in the seven months, which compares with 348 and 758.9 million dollars in the same period last year.

The number surged 50 percent and the amount rose 22.7 percent.

China was top with 303 investments worth 334.3 million dollars, up from 129 and 113.5 million dollars a year earlier. The BOK officials gave credit to the normalization of ties between Seoul and Beijing and to Korean interest in the abundant manpower and plentiful resources of China.

The Commonwealth of Independent States received 16 investments worth 132.2 million dollars and Vietnam had 16 worth 66.4 million dollars.

By region, Asia took 432 investments (486.7 million dollars): North America, 41 (150.3 million dollars): and Europe, 23 (111 million dollars).

By sector, manufacturing took 407 (622.7 million dollars) and trade 64 (112.3 million dollars).

Meanwhile, 343 overseas investments at 580.1 million dollars were implemented in the first seven months, which compares with 288 and 815.8 million dollars a year before.

Firms To Participate in PRC Container Service

SK3108092593 Seoul THE KOREA HERALD in English 31 Aug 93 p 8

[Text] Large-scale local ocean-going shipping companies and smaller coastal liners will jointly participate in the proposed Korea-China container service project, the Korea Maritime and Port Administration (KMPA) said yesterday.

"The 10 shipping companies, selected among 12 applicants for the container business in mid-April, will have the operating rights," said Yom Tae-sop, administrator of the KMPA.

Yom, fresh from a visit to China for the first Korea-China Maritime Consultation Meeting Aug. 23 and 24 in Beijing, said that the chosen companies will take part in container services on a free competition basis, not on a joint-venture formula.

Originally the two countries agreed in informal talks earlier this year to select shipping firms from their respective countries for joint-venture car-ferry and container services.

China, which has been under pressure from the United States and the European Community to open its maritime markets, especially the container service, wanted the Korea-China container business to be carried out on a free competition basis, Yom said.

"We agreed to the Chinese proposal but suggested the two countries contribute the same number of container vessels at the initial stage for stable sea trade between the two nations," the top official said.

The car-ferry business, however, will be done on a joint-venture basis as planned, and the two countries agreed to open the four car- ferry routes before the end of 1993, Yom said.

The volume of bilateral two-way container cargo rose 63.6 percent during the first half of the year to 91,745 TEUs (twenty -foot equivalent units) from the same period in 1992.

A total of 12 shipping companies in three groups applied for the Korea-China container service business.

Two five-member consortia were chosen for the container projects.

One of the successful consortia is made up of Cho Yang Shipping Co., Hanjin Shipping Co., Pan Ocean Shipping Co., Nam Song Shipping Co., and Tong Yong Shipping Co.

The other is composed of Hyundai Merchant Marine Co., Pan Continental Shipping Co., Chon Kyong Shipping Co., Korea Marine Transport Co., and Pusan Shipping Co.

Among the 10, Cho Yang, Hanjin, Pan Ocean and Hyundai Merchant Marine are ocean-going shipping companies.

"The participation by both ocean-going firms and smaller coastal liners in the bilateral container project is sure to boost local shipping companies' cooperative ties, thereby heightening international competitiveness," Yom said.

He said that the Chinese side expressed high hope that it will be able to use the Pusan port to transship its cargoes.

Reportage on Trade Ministry Talks With Japan

Japan Offers 'Support'

OW3008132693 Tokyo KYODO in English 1122 GMT 30 Aug 93

[Text] Seoul, Aug. 30 KYODO—Japanese Trade Minister Hiroshi Kumagai met his South Korean counterpart Kim Chul-su on Monday [30 August] for talks on the bilateral trade imbalance and other issues.

The Japanese minister for international trade and industry arrived in Seoul on Monday for a two-day visit for regular talks of the two countries' industry ministers.

The ministers agreed on Japan's "positive support" for activities of a South Korean Government-private joint investment mission which is slated to visit Japan in September, South Korean officials said.

Afterward, Kumagai paid a courtesy call on President Kim Young- sam, the officials said.

Discussion on Trade Imbalance

OW3008160293 Tokyo KYODO in English 1434 GMT 30 Aug 93

[Text] Seoul, Aug. 30 KYODO—Visiting Japanese Trade Minister Hiroshi Kumagai and his South Korean counterpart Kim Chul-su agreed Monday [30 August] that Japan and South Korea should expand bilateral trade while trying to rectify the trade imbalance.

Kumagai, head of Japan's Ministry of International Trade and Industry, met Kim for the second Japan-South Korea trade ministerial consultation to discuss a range of bilateral and multilateral trade issues.

In a joint statement issued after their meeting, Kumagai and Kim pledged to work together to wrap up the stalled Uruguay Round of global trade talks under the General Agreement on Tariffs and Trade (GATT) by the end of this year.

The ministers also agreed to promote free trade through the Asia- Pacific Economic Cooperation (APEC) forum, formed in 1989 by Pacific rim nations and six members of the Association of Southeast Asian Nations (ASEAN) to promote trade and development in the region.

On bilateral topics, Kumagai promised to offer support to a South Korean economic mission slated to visit Japan for nine days starting on September 6 with the aim of promoting Japanese investment in South Korea.

Kumagai also assured Kim that Japan will resume top patent officers' meetings with South Korea, which have been suspended since 1987.

Japanese Shinseito Party Leader Arrives

SK3108084493 Seoul YONHAP in English 0620 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—Ichiro Ozawa, a powerful new leader in Japan, began a surprise visit to South Korea on Tuesday with a group from his political party, Shinseito.

Foreign Ministry officials emphasized that Ozawa was visiting strictly in a private capacity.

Ozawa, who spearheaded political reform in Japan and is chief secretary-general of Shinseito, was to bring about 10 members of his party with him.

A source at the ruling Democratic Liberal Party, commenting on the visit, said he did not know of any arranged meetings between Ozawa and ranking Korean officials and Ozawa and his group were most likely to stay in Cheju and discuss the future of Japanese political reform and South Korea-Japan relations.

Ozawa's visit comes just before that by another new Japanese leader, Sadao Yamahana, chairman of the Socialist Party, which is the largest faction in Japan's coalition Government.

Yamahana, the first ever leader of the Socialist Party to come to South Korea, will meet with President Kim Yong-sam during his Sept. 4-6 visit.

He has tried to visit Seoul since early this year, but was blocked because of his party's affinity to North Korea.

In a symbolic gesture, he will visit Pagota Park in Seoul where the Korean independence movement against Japanese colonial rule began.

Russia Urges 'Reasonable' Loan Repayment Terms

SK3108095593 Seoul YONHAP in English 0945 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—Russia asked South Korea Tuesday [31 August] to keep in mind its debt with the international community when rescheduling debt and interest repayment and hoped for a "reasonable" conclusion at future working-level talks.

Russian Vice Foreign Minister Georgiy Kunadze, meeting with South Korean Foreign Minister Han Sung-chu, gave Moscow's first reaction to Monday's announcement by Seoul that it will cancel the remaining 1.43 billion U.S. dollars of economic aid from the promised 3 billion dollars.

While halting further aid, Seoul said it will discuss repayment rescheduling, including possibility of repayment in material goods.

Kunadze asked that Seoul keeps aware of Russia's debt with the world community in making rescheduling decisions, a remark suggesting Seoul adhere to the results of Paris Club where indebted nations gave Moscow two-year grace period for the loans and five years to pay back.

The vice foreign minister came to Seoul earlier in the day from Tokyo where he attended Russia-Japan policy consultation meeting. He will stay until Friday.

Kunadze hoped for successful compensation settlement for the former Russian legation site in Seoul.

Seoul nationalized the legation site in 1970, and although Moscow accepted that the nationalization was legal, Seoul agreed to compensate.

The issue is to be solved at continued working-level negotiations.

Editorial Notes Russia's 'Unreasonable Claim'

SK3108100493 Seoul THE KOREA TIMES in English 31 Aug 93 p 6

[Editorial: "Russia's Unreasonable Claim"]

[Text] A news dispatch from Moscow has reported that Russian Deputy Premier Aleksandr Shokhin, responsible for international relations, and a visitor to Seoul last week, claimed that South Korea's Korean Air [KAL] should pay compensation to the families of passengers killed when its Boeing 747 was shot down by Soviet fighters a decade ago.

This is a negative response to Seoul's demand for Russian compensation for the tragic downing of the civil airliner which resulted in the deaths of all 269 people aboard. The recall, the Soviet Union at that time alleged that the KAL plane had been on a spying mission, but the truth was that it had just strayed into Soviet airspace.

Even if Soviet fighters downed the plane by mistake and not intentionally, Russia, successor to the Soviet Union, must be held responsible for the compensation for the victims in view of international justice and also from a humanitarian viewpoint.

Russia should be aware of the international consensus that the Soviet Union is primarily to blame for the shooting down of KAL flight 007.

We are dismayed at the almost impudent Russian claim in sharp contrast to Seoul's friendly agreement reached with Moscow under which the former will pay compensation for the site of the old Russian legation in Seoul, which it nationalized in 1970.

At the same time, Deputy Premier Shokhin has expressed the hope that his government could supply Seoul with defensive, sophisticated weapons to pay principal and interest on a $1.56 billion soft loan favorable extended by South Korea and already in arrears.

In this post-Cold War era Moscow is called upon to seek a mutually reciprocal diplomacy with Seoul to complement each other's needs, discarding its old arrogance as a superpower in the past, and pursuing bilateral cooperation as good partners.

Russian Naval Vessels Arrive on Goodwill Visit

SK3108045393 Seoul YONHAP in English 0214 GMT 31 Aug 93

[Text] Pusan, Aug. 31 (YONHAP)—In a historic show of military diplomacy and good will, three Russian Navy vessels arrived in the South Korean port of Pusan on Tuesday carrying 817 officers, crew, bands men and dancers for a five-day stay.

The visitors, commanded by Vice Adm. Igor Khmelnov of the Russian Pacific Fleet, are an 8,700-ton anti-submarine ship the Admiral Panteleyev, the state-of-the-art 7,300-ton missile destroyer the Bystry, and an 11,200-ton tanker the Peechenga.

The ships are carrying 87 commissioned officers, 92 warrant officers, 520 petty officers and men, 58 civilian sailors of a tanker, 24 musical performers and dancers, 28 navy bands men, five representatives from the Defense Ministry and Naval Headquarters and three military journalists.

It is the first arrival in Korea of Russian warships since the 1904 Russo-Japanese war and was possible only because the defense ministers of the two countries signed a memorandum of understanding on military exchanges in November last year. Seoul and Moscow normalized relations, severed in May 1904, in September 1990.

Following international maritime custom, naval forces of both countries fired salutes when the Russian visitors arrived early in the morning.

Naval officers and citizens gave a warm welcome to the Russian squadron as the vessels anchored in the south-eastern port.

Khmelnov spoke of his wish to see blooming bilateral military relations at a press conference.

"Our goodwill visit to Pusan broke down the wall between Korea and Russia, whose military relations have been severed and at odds for more than 90 years, and helped to develop friendship between the two," he said.

Their schedule includes a visit to city hall and a meeting with Mayor Chong Mun-hwa, a tour of the city, open house aboard their vessels, visits to a navy command unit and the Naval Academy in Chinhae, and a dance performance.

On Wednesday, the 10th anniversary of the downing of a Korean airline by a Soviet fighter, the Russian vessels will fly their flags at half staff to pay respect to the 269 dead.

During his stay, Khmelnov will visit Chairman of Joint Chiefs of Staff Gen. Yi Yang-ho and Chief of Naval Operations Adm. Kim Hong- yol to exchange views on strengthening bilateral military ties.

Reciprocating the visit, Adm. Yi Su-yong will command two vessels and 402 people to Vladivostok for a four-day stay from Sept. 22, timed with the second anniversary of the Seoul-Moscow normalization of relations.

Ministry Names First Consul General to Vietnam

SK3108082093 Seoul YONHAP in English 0656 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—The Foreign Ministry named Ho Pang-pin, consul-general to Anchorage, the first South Korean consul-general to Ho Chi Minh City on Tuesday.

Ho, 51, majored in international relations at Seoul National University and became a diplomat in 1968. He served as counsellor to Ottawa, research officer at the ministry's Institute of Foreign Affairs and National Security, and director of International Law Affairs Division before taking up his current post in Anchorage in December 1990.

Seoul opened an embassy in Hanoi after restoring diplomatic relations with Vietnam last December. Relations were severed in 1975 with communization of the Indochinese country.

The Ho Chi Minh mission is South Korea's first consulate-general in Vietnam.

Kim Yong-sik, minister at the embassy in Brazil, will replace Ho in Anchorage.

National Assembly Plans Probe of 1979 'Coup'

Preview of Probe

SK2808061593 Seoul YONHAP in English 0458 GMT 28 Aug 93

[Text] Seoul, Aug. 28 (YONHAP)—The National Assembly will conduct a parliamentary inspection of state affairs from Aug. 31 through Sept. 10 into such controversies as a "coup d'etat-like incident" on Dec. 12, 1979.

A plenary session on Monday [30 August] is expected to approve an inspection schedule devised by the Assembly Defense and Construction Committees.

Other topics to be covered in the inspection are the Yulgok arms purchase project and construction of the peace dam. It is the second inspection since the law on parliamentary inspection of state affairs was revived in 1988.

The opposition Democratic Party [DP] says it is determined to hear testimony from Former Presidents Chon Tu-hwan and No Tae-u as it believes it is indispensable to determining the truth about the incidents.

But the DP is headed for a collision with the ruling Democratic Liberal Party [DLP], which is adamantly against questioning the former presidents.

Immediately the inspection plan is approved by the assembly on Monday, the two committees will mail summonses to the 90 witnesses they have already singled out.

The committees will first check related papers at the defense ministry, army headquarters, Board of Audit and Inspection, Agency for National Security Planning and the Construction Ministry.

Hearings will start around Sept. 6 or 7 unless witnesses ask to testify earlier. By law, witnesses are supposed to be given at least seven days to prepare.

The inspection will focus on determining whether organizers of the coup-like incident mobilized troops in a premeditated scheme and in disregard of the command channel in a bid to seize control of the military.

With regard to the Yulgok incident, the emphasis will be on whether No gave undue instructions in the change from the selected F-18 to F-16 as the Air Force's next-generation fighter.

Efforts will also be concentrated on finding out whether there were irregularities in the purchase of other expensive weapons.

In the probe into the construction of the peace dam, lawmakers will try to find out if threats from North Korea's Kumgangsan Dam were inflated and the peace dam built for political purposes.

The ruling and opposition parties held party functionary meetings on Saturday to prepare strategies for the inspection.

"Our ruling party will see to it that the inspection will be completed by Sept. 10 by all means inasmuch as the two parties have agreed to hold the probe in 11 days," DLP Deputy Spokesman Cho Yong- chik said.

The opposition party decided that if 11 days is not long enough it will promote another inspection after the regular assembly session. It also resolved that if the DLP is uncooperative in the inspection, it will not cooperate in the regular session opening next month.

Assembly Probes 3 'Suspicions'

SK3008090093 Seoul YONHAP in English 0629 GMT 30 Aug 93

[Text] Seoul, Aug. 30 (YONHAP)—The National Assembly convened an extraordinary session Monday [30 August] afternoon and started preparing to conduct parliamentary inspections on the national policies of past administrations.

Beginning on Tuesday, the assembly will concentrate on finding hitherto undisclosed truths about the so-called coup d'etat-like incident on Dec. 12, 1979, suspected irregularities in the Yulgok military buildup program and construction of the peace dam.

The National Defense Committee and the Construction Committee will summon some 90 officials to testify in hearings on what have come to be known as "the three biggest suspicions" until Sept. 10.

Since summons have to be filed seven days before the witnesses are to appear, the hearings will take place after Sept. 6.

Prior to that, the National Defense and Construction Committees will check official documents and conduct on the spot inspections.

Difficulties with parliamentary scheduling, however, are expected from the outset because of differences of opinion between the ruling Liberal Democratic Party [DLP] and main opposition Democratic Party [DP].

The thorny issues include whether to call former Presidents Chon Tu-hwan and No Tae-u to the witness stand and whether to allow telecasting of its hearings on the three issues.

Kim Chong-pil, chairman of the DLP, convened a meeting of senior party office-holders and decided that the ruling party would reject an opposition demand for summons of the former presidents and telecasting of the parliamentary session.

DLP floor leader Kim Yong-ku said that the Democratic Party listed the former presidents among the witnesses it would call for questioning, but then apparently deleted their names.

Therefore, it would be morally wrong of the Democratic Party to again demand to call the former presidents, Kim said.

He also said he would question the real intention of the opposition party if it insists on telecasting the session.

"Are they out to clear up the suspicions or are they going to stage a political show?" Kim asked.

The Democratic Party, meanwhile, reaffirmed that investigation of former Presidents Chon and No has to be carried out.

At a series of meetings of senior party members, the opposition party also decided to ask the government to try and bring back witnesses currently abroad and impose travel bans on those who might leave the country in order to avoid being called as witnesses.

In addition, the Democratic Party vowed to carry out its plan to put some current members of the National Assembly on the witness stand despite an attempt in some quarters of the ruling party to block the move.

The Democratic Party will also push for open sessions even if the ruling party demands to hold them behind closed doors under the pretext of protecting national security.

One ranking DP official said the parliamentary probe of national policies is aimed at clearing up suspicions among the people. The assembly sessions therefore should be open to the public, he said.

In fact, live broadcast by television of the sessions should be considered, he said.

Moreover, the Democratic Party will demand that if the current extraordinary session cannot clear up the three big suspicions, the assembly should take up the issue in its regular session in the fall.

Assembly Completes Preparations

SK3108102193 Seoul YONHAP in English 0900 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—The ruling and opposition party managers of the National Assembly National Defense Committee met on Tuesday [31 August] and decided plans for a parliamentary investigation of the Dec. 12, 1979, coup by Army officers and possible irregularities in the Yulgok military buildup program.

The two sides agreed to reduce the number of people to be summoned as witnesses or asked to testify for reference before the committee from 78 to 58, including 31 witnesses, and posted the official request for their presence on Tuesday.

For its hearing on the "coup d'etat-like incident," the committee will call No Chae-hyon, the then defense minister, Hwang Young-si, then commander of the First Army, Yu Hak-song, then assistant defense minister for logistics, Rep. Ho Hwa-pyong, then chief of the Secretariat of the commander of the Defense Security Command, Gen. Yi Sang-kyu, then commander of the Second Armored Brigade, Gen. U Kyong-yun, then commander of the Army Criminal Investigation Division, Rep. Ho Sam-su, then chief of personnel division of the Defense Security Command, Gen. Chong To-yong, then chief of the security division of the Defense Security Command, Gen. Chong Sung- hwa, then Army Chief of Staff, Gen. Chang Tae-wan, then commander of the capital Garrison Command, and Gen. Kim Po-ki, then Army provost marshal general.

Names deleted from the list of witnesses include Rep. Chong Tong- ho, who is currently abroad, and Kwon Chong-tal, whose whereabouts are not known, and Pak Hui-to, Choe Se-chang, Chang Se-tong, Yi Hak- pong and eight others.

In addition, the committee wants to call six other people, including Rep. Pak Chun-pyong, for reference.

The ruling and opposition parties want to call a former senior presidential secretary for foreign and national security affairs, Kim Chong-hwi, and 19 others to testify in the hearing on the Yulgok program. Others include former Defense Ministers Yi Sang-hun and Yi Chong-ku and current Defense Minister Kwon Yong-hae.

The parties have also decided to call 21 persons for reference for the Yulgok investigation.

Defense Committee members will visit the Board of Audit and Inspection [BAI] Wednesday to hear from BAI Chairman Yi Hoe-chang and five top officials in connection with the Yulgok program.

From Thursday, the committee will study BAI documents and conduct an on-the-spot investigation of weapons, including the K-1 tank, purchased under the Yulgok project. The committee will call witnesses and people for reference from Sept. 6 through Sept. 8 on the Yulgok project.

The committee will question witnesses on the Dec. 12 incident Sept. 9 and 10, the last day of the extraordinary session.

Board Says Chon Tu-hwan 'Reprimandible'

SK3108084993 Seoul YONHAP in English 0752 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—The Agency for National Security Planning (NSP) exaggerated the threat of water attack by North Korea to distract public attention from politics in 1986, and then-President Chon Tu-hwan knew it, the Board of Audit and Inspection (BAI) announced Tuesday.

The NSP reported the capacity of North Korea's Kumgangsan Dam at 20 billion tons of water without even confirming the location of the dam even though a second analysis showed the capacity at much less than 7 billion tons, the BAI said, unveiling a report that takes a bite at the administration of the military strongman Chon.

Even the second report exaggerated the danger of the North Korean dam, whose actual capacity was found to be 5.94 billion tons, according to the board.

Then-NSP Chief Chang Se-tong, Chon's right arm, ignored the second report to hyperinflate the threat of a water attack and hurriedly ordered construction of the peace dam to counter the threat, the BAI said.

The report did not specifically say whether Chon was involved in the deception, but BAI Secretary-General Hwang Yong-ha said the former president was fully briefed on peace dam construction and is thus "reprimandable."

Chon's government knew that the Kumgangsan Dam was just in the planning stage but went ahead with a public announcement to instigate fear, the board said.

The Construction Ministry advised that the peace dam should be built depending on progress of the Kumgangsan Dam construction, but NSP Chief Chang told the president that the work must begin by early 1987 and be completed by May 1988.

The ministry then had to technically rationalize this plan, according to the BAI.

Even if the Kumgangsan Dam had blasted, the structure would not have completely collapsed and Seoul would not have been completely immersed as everyone was told then, said the board.

A nationwide campaign to collect money for peace dam construction was actually more to divert public attention, and the government went on with the campaign even after it collected 54.2 billion won in donations in December 1986, more than its goal of 40 billion won, the announcement said.

Prosecutor Probes Company's Political Donations

SK2808085193 Seoul YONHAP in English 0552 GMT 28 Aug 93

[Text] Seoul, Aug. 28 (YONHAP)—The Seoul District Prosecutor's Office launched an investigation Saturday of Life Construction Co. based on information that the company has given contributions to many politicians.

Prosecution officials said the information came from the union of the company, whose management was taken over by the Bank of Seoul after its checks were dishonored.

According to the union, the company had slush funds amounting to several billions of won and gave money to ruling Democratic Liberal Party lawmakers and members of a private political group of Rep. Pak Chol-on, who is currently on trial on charges of receiving bribes.

The District Prosecutor's Office will summon a number of leaders of the union early next week before questioning former Life chairman Cho Nae-pyok, who is also suspected of offering bribes, the officials said.

The prosecution is especially interested in the allegation that Cho did not deposit some 2.6 billion won, including 1 billion won his company received on April 11 for some construction projects. Cho instead set aside 2.1 billion won as "operating funds" and gave 50 million won to the DLP as a special contribution.

The prosecution will also investigate the union's allegation that the company opened two bank accounts under assumed names and kept slush funds in them.

In addition, the prosecution will look into a pocket book it seized from Cho's brother, Cho Chong-min, president of Life Distribution Co., that lists the names of some DLP lawmakers and their bank account numbers.

The prosecution will also investigate why the ILYO SINMUN (Sunday newspaper) printed a report on alleged slush funds of the Life Group but gave the entire print-run to Life and did not distribute it to the newsstands.

Report on Bank Accounts Changing to 'Real Names'

SK2808054893 Seoul YONHAP in English 0506 GMT 28 Aug 93

[Text] Seoul, Aug. 28 (YONHAP)—Two weeks after President Kim Yong-sam ordered the real-name financial transaction system, 50 percent of bank depositors have either confirmed their accounts or transferred them from borrowed or assumed names to real names.

According to the Bank of Korea, 32 banks and 51 branches of foreign banks operating in Korea have reported 41,540 cases in which borrowed-name accounts were switched to real names as of Thursday. They were worth 303,591 million won.

There were 143,299 cases in which assumed names were switched to real names. They were worth 378,767 million won.

The cases of borrowed- or assumed-name accounts changed to real- name accounts totaled 184,839 amounting to 682,358 million won, Bank of Korea officials said Saturday [28 August].

The number of existing bank accounts under real names that required confirmation totaled 23,452,462 with deposits of 72,584,158 million won.

As a result, the real-name accounts totaled 23,637,301 with deposits amounting to 73,266,516 million won as of Thursday.

These figures compare with total bank deposits of 93,812,706 with 154,135,529 million won as of Aug. 12, the day the real-name system was announced at 8 PM or three hours after the banks were closed.

The real-name accounts confirmed or switched from borrowed or assumed names represented 25.2 percent for the number and 47.5 percent for the deposits from the pre-Aug. 12 figures.

The ratio of assumed-name accounts switching to real-name accounts was 12.3 percent in cases and 27.8 percent in money of the total 1,169,582 cases with 1,364,097 million won. These relatively lower ratios reflect the fact that large depositors are still holding their their money under assumed names.

Meanwhile, cash in circulation, which exploded following introduction of the real-name system, dropped by 35 billion won on Thursday and a further 30 billion won on Friday.

Ministry Names Financial System Task Force Head

SK3108094593 Seoul THE KOREA TIMES in English 31 Aug 93 p 9

[Text] The assistant finance minister in charge of domestic banking and securities has been named to head the task force overseeing the implementation of the real-name financial transaction system at the Ministry of Finance [MOF].

The MOF said Yi Hwan-kyon, assistant minister for domestic finance, will replace Kim Yong-chin, assistant minister for tax affairs, as head of the ad hoc team.

The replacement indicates that Finance Minister Hong Chae-hyong's concern about the effects of the real-name system the domestic banking system and stock market.

The MOF's tax affairs team "secretly" formulated the basic framework of the real-name system while keeping domestic financial affairs units in the dark.

In announcing the replacement, the MOF said "To ensure the successful implementation of the real-name system, cooperation from the financial sector is more important than ever."

Criticism has been mounting that the government, in implementing the real-name financial transaction system, has put too much emphasis on taxation or social justice without due regard to its implications on the economy and the financial market.

Such criticism originated from the fact that tax officials, were the chief architects of formulating the real-name financial transaction system.

Kim Yong-sam Meets Lucky Goldstar Chairman

SK3108085793 Seoul YONHAP in English 0812 GMT 31 Aug 93

[Text] Seoul, Aug. 31 (YONHAP)—President Kim Yong-sam had lunch with Ku Cha-kyong, chairman of the Lucky-Goldstar Group, Tuesday and asked his support for real-name financial transactions to take root as soon as possible.

Ku was the third of the country's business leaders invited for lunch and was awarded the honor because the president thinks highly of Lucky-Goldstar's efforts to bring harmony to industrial relations and its investment in technology, a presidential aide said.

Kim talked business and the real-name system with Samsung Group Chairman Yi Kon-hui on Aug. 17 and KIA Group Chairman Kim Son-hong on Aug. 25.

The president praised the group's concern for industrial harmony and technology development and its healthy management, and advised Ku to walk in the lead to help the real-name system take root and to aid smaller companies, the official said.

Ku promised his full cooperation to establish the real-name system soon for the sake of the economic justice and made broad recommendations to boost the economy.

The business community is said to be keeping close watch on Chongwadae (presidential office) as the president is inviting one business leader a week for a tete-a-tete.

In lunch meetings of almost two hours long over the Chongwadae speciality, noodles, Kim is stressing the need for the country's giant conglomerates to play an active role in making real-name transactions succeed.

He is planning on another private meeting with a group chairman at the weekend, and Chongwadae sources predict several more in the future.

"You can tell by the order of the guest list which large business pays attention to labor-management harmony," the presidential aide said.

"Guess which business leader works toward peaceful industrial relations and technology development, and you'll guess the guest coming for lunch later this week," he said.

Article on NUB's 'Consolidated' Stance on North

SK2708122193 Seoul CHUNGANG ILBO in Korean 27 Aug 93 p 2

[Article by reporter O Yong-hwan: "The Center of the National Unification Board's (NUB) Policy on North Korea Has Been Consolidated—Confusion in the Early Stage of Deputy Prime Minister Han's System Has Ended and Has Now Settled Down"]

[Text] The position of the National Unification Board [NUB] as the center of policy toward North Korea has settled down. Since the new government came to office, the NUB sought a new approach to relations with North Korea under the leadership of Deputy Prime Minister Han Wan-sang. However, with the sudden emergence of the North Korean nuclear issue, the NUB showed a delicate difference in positions from Chongwadae [presidential residence] and the Agency for National Security Planning [NSP]. As a result, the NUB was placed in a "solitary" position. Moreover, controversies were touched off as to the genuine nature of Minister Han's progressive view on reunification. For this, the positions of not only Minister Han himself, but also of the NUB seemed to be weakened in deciding reunification policies. The NUB, however, recently began to raise its own voice and play the main role in carrying out policy on North Korea.

Such a changed position and role by the NUB can be observed from its proposal made to the North for the resumption of the North-South Joint Nuclear Control Committee [JNCC]; from the statement announced by Song Yong-tae, spokesman of the North-South high-level talks, on 14 August; from the 18 August meeting of reunification- related ministers after North Korea refused the ROK proposal; and from the adjustment of views and positions within the government agencies and offices concerning the pannational rally and the North-South human chain-linking movement. In particular, since North Korea rejected the ROK proposal for North-South dialogue, there have been diversities of opinions within the government concerning countermeasures against the North. It was revealed that even a hard- line atmosphere stressing the inevitability of sanctions against North Korea prevailed in some quarters of the Prime Minister's office, the NSP, and the Foreign Ministry.

As a matter of fact, since North Korea rejected the ROK proposal for North-South dialogue, some officials concerned with reunification policies emphasized, although cautiously, that "now sticks are more necessary than carrots."

However, the government readjusted its position and drew a conclusion on emphasizing the principle for the resumption of North- South dialogue; on expressing readiness to suspend the 1994 Team Spirit joint military exercise if the North shows sincerity in resolving the nuclear issue (the above were announced by spokesman Song in his statements); on pushing for North-South dialogue regardless of formula; and on expressing the readiness to propose a new dialogue in the event that negotiations between the International Atomic Energy Agency [IAEA] and North Korea on nuclear inspection are carried out smoothly.

This position reflects a mixture of hard-line and moderate policies within the government toward the North Korean nuclear issue. However, the essence of these policies reflects the NUB's forward-looking view, to a great extent, that problems should be resolved through dialogue.

The director-general of a bureau in the NUB stated that "there was a great deal of difference in views on reunification policies among reunification-related ministers after the North Korean nuclear issue broke out. In view of this, the current readjustment of positions within the government is very exceptional."

Concerning the North-South human chain-linking rally on the occasion of the liberation anniversary, views opposing support for this event were not small within the government because this meeting overlapped with the pannational rally and because of the nature of the organization hosting the event.

North Korea also called for holding this event simultaneously with the pannational rally and even dispatched the pannational rally delegates to Panmunjom, thus instigating confusion.

However, the NUB finally worked out a firm policy to "support the human chain-linking movement but not to allow the pannational rally." By doing this, the NUB, based on this policy, succeeded in creating a new atmosphere for reunification different from the past "Augusts."

The settlement of the NUB's position is greatly attributed to the fact that Deputy Prime Minister Han's forward-looking and progressive reunification theory has turned into a moderate and realistic one.

The policies on North Korea pursued by Minister Han, who was once a progressive professor, have been subject to criticism by some people as "naive" [nangmanjok] and "emotional." Such criticism was prompted by the theory on openness he put forward in various domains when he was a scholar; by the conservativeness of the organizations and officials in charge of policies on North Korea, and by the people's misgivings about North Korea. Thus, his North Korean policies have been the target of a persistent offensive by anti- North hard-line forces and conservative forces.

Moreover, because of North Korea's withdrawal from the Nuclear Nonproliferation Treaty after the repatriation of Yi In-mo, of the incident of the death of policeman Kim Chun-to after Minister Han held talks with members of the National Federation of College Student Councils, and of the North Korean proposal to exchange special envoys, which was apparently intended to designate Minister Han himself, Minister Han's North Korean policies have consistently been subject to criticism from conservative forces.

Chong Chong-uk, senior presidential assistant for security affairs who was expected to team up with Minister Han, and even Kim Tok, the NSP director, gave up playing the friendly role to him. Some people openly complained of the "excessively speedy advance of Deputy Prime Minister Han," and some journalists also joined in hurting him.

As a result, Deputy Prime Minister Han refrained from presenting his remarks and opinions during the policy-related conferences of the government, showing a cautious attitude.

His cautiousness appeared in a practical form after he returned from his visit to the United States in early July. He repeatedly stressed that "there is no need to hasten North-South summit talks" and "we should cautiously approach the proposal for exchanging special envoys."

North Korea's broadcast of the South Korean National Democratic Front [SKNDF], as if it has detected his changes, sternly denounced Deputy Prime Minister Han three times since 17 July as an antinational and antireunification figure.

It is yet too early to decide whether Minister Han's North Korean policy has basically changed or he has retreated temporarily due to the unfavorable situation, and misgivings cherished by hard-liners within the government about Deputy Prime Minister Han are still as before. However, it is apparent that the NUB, after six months of drifting, has returned to its original position as the center of discussion on reunification affairs, thus eliminating unnecessary controversies within the government. This is indeed fortunate.

Project for 256-Megabyte DRAM Chip To Begin

SK2808044393 Seoul YONHAP in English 0254 GMT 28 Aug 93

[Text] Seoul, Aug. 28 (YONHAP)—Korea will launch a four-year program next week to develop an ultra-concentrated dynamic random access memory [DRAM] semiconductor with a capacity in excess of 256 megabytes at a cost of 195.4 billion won (241 million U.S. dollars).

The G7 project, or advanced technology program, which follows 16- M dram and 64-M dram projects, was decided in an economy-related ministerial meeting Saturday and will be jointly led by the industry, research institutes, and universities.

Emboldened by flourishing semiconductor exports, the government expects the project to be a great boost to the industry, officials said.

The project's goal is developing key and basic technology of supercapacity memory chips. Of the 195.4 billion won-cost, the government and industry will shoulder 91.4 billion won and 104 billion won, respectively. Commercial companies will also have to put in about 300 billion won to develop affiliated technology.

A 256-M dram chip, capable of storing information equivalent to some 2,000 newspaper pages, will revolutionize the computer, high- definition television, medical, communications facility, and electronic camera markets when commercialized.

Because development of 256-M dram chips requires more risk than the 16/64-M versions, it will be pursued by a private research team rather than state-financed research institutes as in the earlier semiconductor projects.

Governments of advanced countries also subsidize semiconductor development. For the 1.5-billion-dollar Sematech project, Washington has put up 900 million dollars for free and the European Community Commission gave 3 billion dollars of the 8 billion-dollar Jessi project.

World leaders of the industry currently cooperate in developing the costly and risky 256-M dram chip.

Team Develops Low-Cost Ozone Generating Device

SK3108121993 Seoul THE KOREA TIMES in English 31 Aug 93 p 3

[Text] A research team of the Korean Maritime University has successfully developed a low-cost ozone generating device, possibly bringing about an import-substitution value of about 100 billion won per year. The device, developed by the team led by Prof. Kim Yong-sik, 49, is not only extremely small but is much cheaper to produce than those manufactured in Japan and the United States.

Ozone-generating devices are widely used in water and air purification systems as well as other environment-related equipment and are expected to be in strong demand well into the next century.

Prof. Kim of the Maritime Materials Engineering Department of the Pusan-based university said it took over four years to develop the device because his team insisted on utilizing the ceramic technology instead of the conventional glass-tube method.

One surface of the ceramic panel is copper-plated and electricity is allowed to flow between the panel, thus creating a chemical reaction that turns oxygen into monoxide and then into ozone.

Owing to the fact that ceramic is used, the manufacturing process does not require the installation of a cooling system, thus considerably reducing the overall production cost, Prof. Kim explained.

Ozone-generating devices are already widely in use here for the treatment of tap water and for other purification and germ-killing effects but they have thus far been imported from foreign countries at high cost.

"Not only is the system effective for breaking down impurities and destroying germs, it provides plenty of oxygen and allows fish in rivers and streams to grow to their full potential," the maritime environment expert said.

The ozone-generating device is so powerful that it can even break down such heavy metallic substances as manganese and iron which are increasingly found in high presence in the nation's major sources of water, Kim added.

The newly developed device measures just seven centimeters by 16 centimeters and is small enough to be fitted into fish tanks and air cleaners for automobiles.

As for larger applications, such as potable water treatment, proportionately expanded structures measuring about 0.5 meters by 1 meter with elaborate ceramic panel assemblies are required, Prof. Kim elaborated.

He said, "The scope of industrial application ranges from food and leather to semiconductors and electronic appliances. The beauty of the low-cost device is that it creates a clean and healthy working environment as well."

The development of the ozone-generating device is particularly significant when considering that it can promote related industries for high value-added goods for improving the environment, Kim said.

"The technology for developing ozone-generating and other environment-related products has been at a low level and the localization of this technology will have a longlasting effect on the environment industry which is estimated to be valued at about 1 trillion won in the next couple of years," Kim noted.

Burma

Visiting Senator, Delegation Visit Mandalay

BK2808153993 Rangoon Radio Burma in Burmese 1330 GMT 28 Aug 93

[Text] Visiting United States Senator Mr. Richard C. Shelby, his wife, and party—accompanied by Brigadier General Maung Maung, minister of livestock breeding and fisheries, and his wife—left Yangon [Rangoon] by air on the afternoon on 26 August. They arrived at Mandalay Airport at 1530 in the evening.

Brig. Gen. Kyaw Than, chairman of the Mandalay Division Law and Order Restoration Council and commander of the Central Military Command, and responsible personnel welcomed the United States senator and his party at Mandalay Airport.

It has been learned that the senator and his party later visited Mahamuni Pagoda, Mandalay Hill, and Shwe Hte Kyaw-Lun Yar Kyaw Acheik weaving center.

Rangoon Holds 7th Public Drug Burning Ceremony

BK3008124393 Rangoon Radio Burma in Burmese 1330 GMT 29 Aug 93

[Excerpts] The seventh ceremony to destroy seized and confiscated narcotic drugs sponsored by the Central Committee for Drug Abuse Control [CCDAC] was held today at the Aungthabye police quarters, Kyaikwaing Pagoda Road, Mayangon Township, at 0800. It was attended by Lieutenant General Mya Thinn, chairman of the CCDAC and minister of home affairs; Lt. Gen. Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC]; Lt. Gen. Tin U, SLORC secretary-2; SLORC members; cabinet ministers; the chief justice; the attorney general; the chairman of the Yangon [Rangoon] City Development Committee and Yangon mayor; deputy ministers; senior military officials from the Defense Ministry; directors general and managing directors from the SLORC office, the government office, departments, and enterprises; members of the SLORC Information Committee; local and foreign journalists; visiting U.S. Congressman Mr. Charles Rangel and his delegation; Police Brigadier General San Thein, secretary of the CCDAC; Police Colonel Ngwe Soe Tun, joint secretary of the CCDAC and director of the Narcotics Division, People's Police Force; CCDAC members; responsible personnel from the People's Police Force; ambassadors, charge d'affaires', military attaches, and counselors from various embassies in Yangon; personnel from the UNDP [United Nations Development Program], UNDCP [United Nations Drug Control Program], FAO [Food and Agricultural Organization], WHO, and UNICEF; and other invited guests.

At the ceremony Police Col. Ngwe Soe Tun explained the various narcotic drugs suppression activities undertaken by the government. [passage omitted]

Next, in view of all present, 10,868 bottles of Phensedyl containing 1,376.785 liters were destroyed by road rollers. Continuing, responsible personnel from foreign embassies, UN organizations, and local and foreign journalists carried out chemical tests of the narcotic drugs which were to be burned. Later, the Japanese ambassador, the Australian ambassador, Visiting U.S. Congressman Mr. Charles Rangel and delegation member Mr. Richardson, and UNDCP resident representative Mr. Christiansen burned the drugs by pressing the control switches.

The drugs destroyed were 222.431 kilograms of heroin, 1,838.338 kgs of opium, 14.971 kgs of opium concentrate, 1.518 kgs of opium liquid, and 201.166 kgs of marijuana.

U.S. Congressman, Party Tour Eastern Shan State

BK3008130593 Rangoon Radio Burma in Burmese 1330 GMT 29 Aug 93

[Text] United States Congressman Mr. Charles B. Rangel, Mr. Richardson, and party, who are currently visiting Myanmar [Burma] at the invitation of the Ministry of Foreign Affairs, accompanied by U Nyunt Swe, deputy minister of foreign affairs; Lieutenant Colonel Thein Han, director general of the Office of the Work Committee for the Development of Border Areas and National Races; Police Colonel Ngwe Soe Tun, joint secretary of the Central Committee for Drug Abuse Control [CCDAC]; and responsible personnel left Yangon [Rangoon] Airport by special aircraft on 28 August and shortly arrived at Keng Tung Airport. They then proceeded by helicopter from Keng Tung Airport to Si Lu village in Mong Yawng Township.

Later, at the Si Lu clinic, the UNDCP [United Nations Drug Control Program] resident representative, Mr. Christiansen; and responsible personnel; the regional commander; and departmental personnel explained to the delegation about crop substitution programs, livestock breeding situations, educational activities, hydropower projects, and development activities of the Si Lu-Pan Kaing region undertaken by the joint Myanmar-China-UNDCP cooperation projects. The U.S. congressman, after realizing the true situation endured by the local national races, suggested that effective aid and assistance for future projects in other regions should be coordinated between the UNDCP and the Myanmar Government. The congressman and party then cordially greeted the departmental personnel.

The congresman and delegation left Si Lu by helicopter and arrived in the Mong La region, Keng Tung Township. The visiting delegation inspected the Nyein Chan Ye [Peace] pagoda, the Aungchin Shitpar museum, and Damayone construction projects. The congressman and his delegation later attended the opening ceremony of the natural spring water supply works at Wan Paing village constructed by the township agriculture mechanization department, and then cut the ribbon inaugurating the 10,000 gallon capacity water tank. Furthermore, another delegation member officially opened the water supply works by opening the water valve. The congressman and party left by helicopter for Keng Tung after cordially greeting the local people. The visiting delegation then left Keng Tung Airport by special aircraft in the afternoon and arrived in Mandalay.

They were welcomed at Mandalay Airport by Brigadier General Kyaw Than, chairman of the Mandalay Division Law and Order Restoration Council and commander of the Central Military Command; and responsible personnel. The congressman and party went to Mandalay Hill, visited the pagodas, and viewed the city from the hill. After visiting the Myanansankyaw Golden Palace by car, the delegation proceeded to 26B Road in Pwegon Ward and visited the Mandalay Emporium Cooperatives Syndicate Limited. The delegation later left Mandalay and arrived back at Yangon Airport.

U Ohn Gyaw, minister of foreign affairs, hosted a dinner in honor of the visiting congressman and entourage at the People's Park Restaurant in the evening.

Congressman Rangel and his party attended the seventh ceremony to destroy seized and confiscated narcotic drugs held this morning at the Aungthabye police quarters, Kyaikwaing Pagoda Road, Mayangon Township.

The delegation accompanied by Deputy Foreign Affairs Minister U Nyunt Swe and Deputy Religious Affairs Minister U Kyaw Aye visited the Shwedagon Pagoda and signed the visitors book. In the afternoon, the visiting congressman and party together with Deputy Foreign Affairs Minister U Nyunt Swe visited the Armed Forces Hall and viewed the ongoing narcotic drugs and psychotropic substances educative exhibition where they were shown around by Police Colonel Ngwe Soe Tun, joint secretary of the CCDAC, and responsible personnel.

In the evening, Lieutenant General Mya Thinn, member of the State Law and Order Restoration Council and minister of home affairs, hosted a dinner in honor of the visiting congressman and party at the Inya Lake Hotel.

Depart Rangoon 29 Aug

BK3008142793 Rangoon Radio Burma in Burmese 1330 GMT 30 Aug 93

[Text] U.S. Congressman Mr. Charles B. Rangel and his delegation, who visited Yangon [Rangoon] at the invitation of the Foreign Ministry, left Yangon Airport by air at 0600 this morning.

The delegation was seen off at Yangon Airport by Deputy Foreign Affairs Minister U Nyunt Swe, and departmental officials from the office of the work committee for the Development of Border Areas and National Races, the People's Police Force Headquarters, and the Foreign Ministry.

BBC Correspondent Discusses National Convention

BK3008123193 London BBC in Burmese to Burma 1345 GMT 29 Aug 93

[From the "Current World Affairs" program]

[text] The plenary session of the National Convention will resume tomorrow. In this session, the delegates will hear the joint coordination committee's analysis and decisions on presentations by the eight panels of chairmen [eight delegate groups] during the plenary sessions which began at the beginning of last month. The National Convention has been convened since the beginning of this year with the aim of laying down directions and guidelines for drawing up the constitution.

It is significant because at the last meeting many of the delegates openly criticized the SLORC [State Law and Order Restoration Council] for the first time. Larry Regan, BBC correspondent, says that SLORC is now in a situation of making difficult decisions. Regan comments that the present National Convention plenary session was supposed to begin last week but it was postponed because the [panel of] chairmen said there is not sufficient time to study all the facts presented by the delegates. But according to Rangoon residents, the main reason for the postponement is that the members of the Convening Commission are facing difficulties handling and deciding on the critical facts presented by many delegates from the political parties during the session.

The majority of the political parties have opposed the presidential system proposed by the SLORC and there is no doubt that they have completely rejected renaming the states. They also suggested indirectly that the Defense Services must be under a parliament in a future democratic nation. This is against the sixth objective [of the National Convention]—for the Defense Services to be able to participate in the national political leadership role of the future state—proposed by the SLORC.

The present problem faced by the SLORC leaders is whether they should allow the presentation of a summary of the meeting minutes. There were only two among the eight panels of chairmen at the National Convention that presented the opposing view.

The delegates are divided into eight groups such as delegates representing political parties, elected representatives from the 1990 election, workers, peasants, intellectuals, public service personnel, national races, and special invitees. The opposing views were only presented by the delegates representing political parties. In another words, the panel of chairmen can totally ignore these opposing views.

According to the observers, the SLORC leaders intentionally proposed renaming the states knowing that many will oppose the idea. Rangoon residents expressed concern that the SLORC is not going to yield even in this matter. Furthermore, the SLORC has never previously shown any signs of compromise and there is no evidence yet that shows it has changed its position.

The opposition said that this month the SLORC has put more pressure on the politicians attending the National Convention. One piece of evidence is that the political parties have to present their speeches to the SLORC before they are delivered. At the same time, some people in Rangoon say that not long ago the SLORC eased off its grip a bit.

Since the postponement of the plenary session two weeks ago, the delegates have been freely mingling with each other at the dormitory. There were some entertainment programs for them, but the opposition says they are not allowed to talk about the discussions at the convention.

According to a diplomatic source in Rangoon, the SLORC is concerned about how the international community will view the process of drawing up the Burmese constitution. In the meantime, SLORC is enjoying improved relationships with (?three) neighboring countries. Trade with China is burgeoning and SLORC has opened a consulate in Kunming, Yunan Province. China is also preparing to station representatives in Mandalay and Lashio. Moreover, trade with India is rapidly increasing and both countries are planning to build a road in the border region.

Last Week two US Congress delegations visited Burma. These two delegations are urging the Clinton Administration to improve ties with the SLORC. That is why SLORC is immensely concerned about any occurrences at the National Convention that will damage Burma's present position in its international relationships.

National Convention Session To Resume 6 Sep

BK3008140993 Rangoon Radio Burma in Burmese 1330 GMT 30 Aug 93

[Text] Since 16 August, the alternate panel of chairmen has been analyzing the proposal papers on formulating fundamental principles to be laid down for writing the constitution presented by the delegate groups at the plenary session of the National Convention held on 9-14 August. The analytical process is almost complete. Therefore, the plenary session of the National Convention will resume at the Central Meeting Hall in the president's residential compound on Ahlone Road, Yangon [Rangoon] at 1000 on 6 September.

Khin Nyunt Views Talks With Ethnic Rebel Group

BK3108102193 Rangoon Radio Burma in Burmese 1330 GMT 28 Aug 93

[Excerpts] The concluding ceremony of refresher course No. 2 for basic education, middle, and high school teachers was held at the training center of the Central Institute of Public Services in Hlegu Township at 0900 this morning. Lieutenant General Khin Nyunt, chairman of the Education Committee of Myanmar [Burma] and secretary-1 of the State Law and Order Restoration Council [SLORC], attended and delivered an address. [passage omitted on attendees]

In his address, Lt. Gen. Khin Nyunt said that after resuming all responsibilities of the state, the SLORC has undertaken political, economic, and social reforms with increasing momentum and acceleration. [passage omitted on national convention]. He said: While SLORC is assuming the responsibilities of the state, it has been constantly inviting the armed insurgent organizations to give up their armed struggles and to join hands with the state government. It is being done with noble goodwill to reunite all national races. So far, nine armed organizations which understand the SLORC's genuine goodwill and its invitation to reunite the national races have returned to the legal fold one by one after renouncing their terrorist activities. As you know, these organizations are not only joining hands with the state in their respective regional development activities, but they are also participating in discussions on the future of the country at the present National Convention. Now, another national group, after understanding the state government's genuine goodwill, proposed holding discussions. I would like to tell you the good news that the negotiations and discussions are continuing, and the situation and prospects are very good. [passage omitted on economic and health matters, and teacher's responsibilities]

Brunei, Malaysia & Singapore

Malaysia

Mahathir Reacts to West's Comments on Democracy

BK3008145193 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 30 Aug 93

[Text] Datuk Sri Dr Mahathir has reminded Malaysians not to be misled by Western (?trends) about the Malaysian democratic system not being democratic enough. The prime minister said Western nations want Malaysia to practice democracy that will lead to instability within the government, economic deterioration, and poverty. They could threaten and control Malaysia under such conditions.

Datuk Sri Dr Mahathir stated this in a special nationwide address tonight in conjunction with the 36th National Day anniversary. He also stated that those countries which condemn Malaysia, in fact, wish to see Malaysia turn into a country such as the states of the former Soviet Union and the (?former Yugoslavian) republics which are currently facing dissolution, racial riots, ethnic cleansing, and instability.

The Western nations urged the Soviet states to become democratic but the West was unwilling to render assistance when clashes occured in these states and their economic systems collapsed as a result of the introduction of (?their) democratic systems.

Therefore, Malaysians should not be easily misled because, these nations only want to see Malaysia become continuosly backward and unable to compete with them. The country will also be accused of being incapable so that they can say we are incapable of being independent and administering our country.

[Begin Mahathir recording] We practice democracy by giving the people the right to freely elect their respective representatives. This is the most important basis for democracy. Absolute freedom is not democracy, but anarchy. A lawless situation will only threaten society. Freedom should have its limits. This is because we do not want the freedom given to one to be used to threaten another. [sentence indistinct] If we have no restrictions on racial politics in this country, tension and racial riots will occur and this will definitely affect the nation's progress and stability. We need continuously to [words indistinct] cooperation among ourselves. [Words indistinct] benefits derived through riots and conflicts will surely be very much less than the portion that could be achieved through the distribution of (?activities) in a peaceful and prosperous situation. [end recording]

Minister Denies Existence of Thai Guerrilla Camps

BK2708070993 Kuala Lumpur Voice of Malaysia in English 0600 GMT 27 Aug 93

[Text] Defense Minister Datuk Sri Najib Tun Razak has stressed that there are no Muslim guerrilla separatist camps in Malaysia. He said in a statement in Kuala Lumpur that to the best knowledge of the Defense Ministry and Armed Forces, such bases did not exist in any state in Malaysia. He was commenting on a agency report from Bangkok which quoted the south Thailand Army commander [title as heard], Lieutenant General Kitti Rattanachaya, as saying that he wanted to inspect two camps which, according to him, existed in Perak and Kelantan and used by the separatist guerrillas. Datuk Sri Najib said if Thailand possessed information on such camps, it was free to inform Malaysia so that appropriate action could be taken. He reiterated the Malaysian Government's stand of noninvolvement in the insurgency in southern Thailand, which is considered an internal affair of Thailand. Prime Minister Datuk Sri Dr. Mahathir Mohamed during his recent visit to Thailand assured his Thai counterpart, Chuan Likphai, that Malaysia did not support any Thai separatist guerrillas.

Albanian Official Discusses Serb Issue, Departs

BK2808060393 Kuala Lumpur BERNAMA in English 0448 GMT 28 Aug 93

[Text] Kuala Lumpur, Aug 28 (OANA/BERNAMA)—Serbia and the Bosnian Serbs must be taught to abide by international law by the international community, Albanian Deputy Prime Minister Bashkim Kopliku said Friday [27 August].

The Serbs will be doing to Kosovo and Albania the same thing they are doing in Bosnia-Herzegovina if the international community does not teach them to abide by international rule, he told a press conference at the end of his visit here.

Bashkim said the international community should do something so that the Serbs would not annex the other neighbouring countries in the Balkans.

We hope the war in the former Yugoslavia will not spread throughout the Balkans but the Serbs should be made to abide by international rules and human rights, he added.

He said no country should change its borders merely for racial and religious reasons. Albania and Kosovo are situated east of the former Yugoslavia. According to statistics, more than 70 percent of the 3.2 million Albanian population are Muslims.

Bashkim, who arrived here on Aug 25 for a week-long official visit, also said that Albania needed a huge infusion of foreign investment to revive Albania's economy which was currently in difficulties due to half a century of communist rule.

He said Malaysian investors were welcome to venture into all sectors of industry in Albania, especially textile, mining, shipping and shipbuilding, banking and tourism.

Albania had a lot of incentives for businessmen such as a stable democratic government, educated and skilled labour at low wages and proximity to the European Community countries, he added.

Official on Planned Vietnamese Economic Zone

BK2808093893 Kuala Lumpur BERNAMA in English 0755 GMT 28 Aug 93

[Text] Kuala Lumpur, Aug 28 (OANA-BERNAMA)—Some 280 hectares in Danang, Vietnam, have been identified for development into an industrial zone by Malaysian industrialists, Federal Deputy Minister of International Trade and Industry Chua Jui Meng said Friday [27 August].

The area, to be developed by the Malaysian South-South Association or Massa, would concentrate on export-oriented products, he told reporters after opening a seminar on research and consultations in Pasir Gudang, in the southern state of Johor.

He said the involvement of Malaysians in industries in Vietnam was a new move prior to which the country only participated in the tourist, hotel, banking and financial sectors.

Chua said a ministerial team and local industrialists would take a look at the infrastructure at the zone, located on the South China Sea coast, in November.

The government was confident that industries in the zone would develop because of low labour cost and infrastructural facilities, like an airport and port in Danang, he said.

In his speech, Chua said a recent economic development report released by the Geneva-based World Economic Forum, placed Malaysia in sixth position among developing countries in stressing research and development (R&D).

However, the private sector participation in this area was small compared with the contribution by the government.

In Malaysia, 80 per cent of the expenditure for R&D was from the public sector while in developed countries, like Japan and the US, the public and private sectors' support was 50 per cent each, he said.

Chua said the government hoped that the private sector would contribute at least 40 per cent in R&D by 2000.

BN Candidate Wins Pahang State By-Election

BK2908070193 Kuala Lumpur Voice of Malaysia in English 0600 GMT 29 Aug 93

[Text] The Barisan Nasional (BN) has retained the Batu Talam State constituency by-election in Pahang State with the bigger majority. Its candidate, Syed Ali Syed Mohamed, beat his apponent Tengku Puji Tengku Abdul Hamid from the Islamic Party (PAS) by a majority of 2,990. He polled 5,355 votes, while his apponent obtained 2,365 votes.

In 1990, the BN won with the majority of 1,980 votes. Syed Ali was congratulated by Pahang Chief Minister Tan Sri Khalil Yaakob. Tan Sri Khalil said the victory reflected to voters' support for the policies of the government led by Prime Minister Datuk Sri Dr. Mahathir Mohamed and his vision 2020.

Barisan Nasional is the political party that governs Malaysia.

Government To Allow 3 Cable Television Channels

BK2708095193 Kuala Lumpur NEW SUNDAY TIMES in English 22 Aug 93 p 6

[Text] Johor Baru, Sat—Malaysians will have the opportunity to view three cable television channels from the 24-Satellite News Service from next year.

Information Minister Datuk Mohamed Rahmat said the government had approved the broadcasts of Cable News Network, British Broadcasting Corporation World News and Star TV's prime Sports channel without censorship.

The broadcasts, with the use of RTM [Radio Television Malaysia] equipment and facilities, is under a joint venture between RTM and the private sector.

He said each of the three cable channels would have a subscription rate of about RM [Malaysian ringgit] 50 per month.

"The Economic Planning Unit is now identifying suitable companies to enter into the joint venture with RTM," he said after opening the UMNO [United Malays National Organization] Pulai division meeting here. Mohamed said RTM spent more than RM100 million annually to pay for imported programmes to fill in 18 hours of programming each day.

He said it was possible that the government would allow more foreign cable channels but it did not intend to ease the prohibition of the use of the parabolic satellite dishes.

Mohamed said the cabinet made a decision last week to extend the prohibition on the use of parabolic dish indefinitely.

"Any relaxation on the use of parabolic dishes might affect the following of local programmes and the government wants to limit the influence of negative culture through the foreign broadcasts."

Singapore

Ong Teng Cheong 'Happy' With Election Result

BK2908142993 Singapore Singapore Broadcasting Corporation in English 1100 GMT 29 Aug 93

[Text] In an interview with SBC [Singapore Broadcasting Corporation] today, Mr. Ong says he is happy with the percentage of votes he got. He said it would have been a bonus if the votes for him had been above 60 percent. Mr. Ong said although he had not [words indistinct] from the outcome, his own estimate was close to the result.

Commenting on the number of votes for Mr. Chua, Mr. Ong said Mr. Chua deserved the precentage he received because of his character and integrity.

Speaks to Reporters

BK2908145193 Singapore Singapore Broadcasting Corporation in English 1400 GMT 29 Aug 93

[Text] Mr. Ong Teng Cheong is Singapore's first elected president. He received 58.7 percent of the valid votes cast.

Retired civil servant and banker Mr. Chua Kim Yeow, obtained 41.3 percent. Some 6.6 million people or nearly 95 percent of the electorate voted.

In his victory speech, Mr. Ong said Singaporeans have given him a strong mandate and moral authority to carry out his duties. He described the election as settled between two gentlemen, both qualified for the office, and whoever won, it was a real win for Singapore.

Speaking to reporters later, Mr. Ong said it was an honor and privilege to be placed in office and to serve the people. On Mr. Chua, Mr. Ong said he was a very credible candidate. He said this was the reason for the large number of votes which Mr. Chua got. He did not see it as a vote against Mr. Ong's PAP [People's Action Party] power.

In his speech, Mr. Chua, while thanking those who voted for him, also urged them to place their trust and confidence in Mr. Ong—the new elected president. He told reporters what got him the large number of votes were his natural self and his platform, as an elected president need not have political experience. He said that with more time and organizational support, he might have won. But Mr. Chua ruled himself out of the next presidential election, as by then he would be very old.

Banker on Benefits of PRC Borrowing Offshore

BK3008103193 Singapore BUSINESS TIMES in English 20 Aug 93 p 6

[By Teh Hooi Ling]

[Excerpts] Singapore—Singapore is benefiting from China's mushrooming offshore borrowings. About US$566 million (S$911.3 million) has been raised in the offshore market for Chinese borrowers so far this year, close to the US$600 million for the whole of last year, said OCBC [Overseas Chinese Banking Corporation] chairman and chief executive Tony Tan.

Local banks, he said, have been very active in bringing Chinese borrowers to the Singapore capital market.

Dr. Tan said the experience and intelligence gained from further contacts with the Chinese companies, for example, can be used to help Singapore develop its external economy.

In the course of participating in offshore capital markets, being active in the treasury and stockbroking activities of their overseas branches and subsidiaries, Singapore banks can build up good intelligence in the overseas locations. They are therefore better able to introduce local companies to other Asian companies which are looking for good partners, he said.

Dr. Tan, who is the former education minister, was speaking on "The Role of Banks in the Development of Singapore's External Economy" at the conference on "Doing Business in China" yesterday. [passage omitted]

Banks can also contribute to the building of the external economy by imparting their knowledge and expertise to their counterparts in China. "The development of Singapore's economy has been greatly facilitated by a reliable banking system and this is where banks in Singapore can help China." The use of information technology, establishment of sound credit policies, proper asset and liability management are some areas to begin with.

When banks in China are strengthened, it will generate confidence. It will then be easier for China to mobilise domestic saving for economic development, he said. [passage omitted]

"As our knowledge of Chinese companies increases, we will be in a better position to act as distribution channel for their shares to international investors. Our objective must be to work with Chinese companies to list their shares on the Stock Exchange of Singapore."

Cambodia

Norodom Ranariddh Arrives in Singapore 26 Aug

BK2708145393 Phnom Penh AKP in English 1011 GMT 27 Aug 93

[Text] Phnom Penh AKP August 27—A Cambodian delegation led by Co-president Prince Norodom Ranariddh arrived in Singapore yesterday [26 August] for a three-day official visit.

Prince Norodom Ranariddh who was accompanied by his wife and ten ministers and officials of the Provisional National Government of Cambodia was received at the Changi International Airport by Mr. Abdullah Tarmugi, minister of state for environment.

After arrival, the delegation visited the establishment of the Civil Aviation Authority of Singapore (CAAS).

Prince Norodom Ranariddh is scheduled to hold talks with Prime Minister Goh Chok Tong Friday afternoon discussing bilateral relations between the two countries.

Article Discusses Media, UNTAC Role

BK3008135193 Phnom Penh PHNOM PENH POST in English 27 Aug-9 Sep 93 pp 17, 18

[Article: "The Media: From Rags to Riches"]

[Text] *Since UNTAC [United Nations Transitional Authority in Cambodia] began its mission in mid-March last year, its Information and Education unit has closely monitored the rapid emergence of a private, if not entirely independent, Cambodian media. As UNTAC prepares to pull out, the plethora of new newspapers and television stations find themselves in a delicate position; striving to win readers with bolder stories but aware that the new authorities are beginning to exert pressure to rein them in. The following report is an overview of the situation by the Information/Education unit in the wake of May's election.*

Toward the end of 1992, at the time that the UNTAC Information Division initially attempted to create a media association, the most conspicuous obstacle to its formation was the fact that there was little that could be called an "independent" media: what media outlets existed were situated firmly within the administrative frameworks of one or another political party or faction—which, despite the Paris Agreements, remained hostile to one another—and there was not even sufficient neutral ground for an association to elect officers; individual members of the media, however much at one level they might "want" to, could not sufficiently forget the political networks they were bound to work together for common goals as journalists.

The media in Phnom Penh at this time was dominated by the State of Cambodia [SOC] media organs of press, radio, and television. Political divisions still to some extent followed geographical lines: KPNLF [Khmer People's National Liberation Front], and the Party of Democratic Kampuchea had radio facilities broadcasting from Thailand or near the Thai border, and FUNCINPEC [National United front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] had a bulletin published on the border (aimed in part at overseas supporters). The different parties were only beginning to publish bulletins in Phnom Penh (although the oldest of these, the KPNLF Weekly Bulletin, had been coming out since the previous January).

The few publications that could be called independent still occupied a peripheral position for the average Cambodian. Santepheap, which started around April, 1992, is significant in that it does not have any overt formal ties to any state or political organization—although its "independence" did not mean it was neutral. Rumored to be receiving financial support from high- ranking CPP [Cambodian People's Party] officials, it took a militantly pro-SOC/CPP position—sometimes taking extreme stands which prominent SOC/CPP figures supported but did not want to be linked to officially .

More truly economically independent were the two English language newspapers, the Phnom Penh Post and Cambodia Times, both for-profit institutions which started publication in July 1992. Cambodia Times, a well-financed Malaysian venture, printed in Kuala Lumpur and flown in to Phnom Penh, began publishing a Khmer-language edition in November, 1992. This Khmer-language edition, more slickly edited than the other Cambodian newspapers, and using color photographs, attracted a lot of attention when it first started (although this has waned as other newspapers have appeared on the horizon and the paper's pro-SOC leaning became obvious). When the paper first started, it was in a position to offer salaries which attracted journalists and computer staff away from other papers—to the distress of their editors. The pattern that Cambodia Times set—of an internationally financed newspaper which was able to attract staff, readership, and advertisers—and which turned out to be less neutral than it initially seemed—would be repeated again when Reaksmei Kampuchea came on the scene.

Three significant trends since the beginning of the year together help explain the fact that by the time of the elections Cambodian media seemed to be playing a very different ball game—1) the rise of a Phnom Penh media associated with political parties—in particular, FUNCINPEC; 2) the growth of internationally financed media—in the form of a new television station and a newspaper—both Thai financed; and 3) the proliferation of small independent newspapers. These three trends relate to the same economic and political developments in the country—the conversion to market economy and the establishment of a multi-party political system, which were at least the stated goals of all the political parties. The rise of an independent media was more a political phenomena than it seemed at first blush—since the "independent" media (both small-scale Cambodian ventures and internationally financed institutions) often had political agendas or were allowed to exist because of agreements to tote a political line.

Most of the actual political party bulletins began publishing before the beginning of the year; except, perhaps, for the KPNLF Weekly Bulletin, they tended to in effect constitute campaign materials rather than journalism per se. They had limited circulation; sometimes, even in the case of the FUNCINPEC bulletin, there were not enough copies issued to distribute to all the party offices in the provinces. In practice the bulletins tended not to be something that people sat and read in their homes but something to be posted on bulletin boards outside of party offices. Nevertheless, the bulletins had their impact on the more traditional field of the media as a symbolic statement of the multiplicity of political voices now possible. Of all the parties in opposition to the CPP it is perhaps only FUNCINPEC which can truly be said, by the time of the elections, to have created a media network comparable in any way to that of State of Cambodia—with the appearance, right before the election, of a newspaper and two different youth bulletins (different in tone than the more cut and dry party bulletins.) More importantly, there was at this time the creation, despite State of Cambodia attempts to block them, of a FUNCINPEC FM radio station and TV station based in Phnom Penh. Although these stations did not have the broadcasting range of the SOC media, their existence made a powerful statement about FUNCINPEC's power and potential for influence.

For many months, the KPNLF Weekly Bulletin was the only media outlet produced in Phnom Penh which dared to take a stance directly oppositional to State of Cambodia/CPP. For a period of time FUNCINPEC's attacks on State of Cambodia were largely limited to its press releases (a branch of journalism in its own right); the actual media organs of the party maintained a stance of detachment. As State of Cambodia attacks on FUNCINPEC became increasingly acrimonious, however—in particular focusing on the allegation that FUNCINPEC was linked to the Khmer Rouge—the FUNCINPEC media began responding in kind—sometimes in the form of letters to FUNCINPEC radio which were read on the air. These counter attacks often focused on allegations similar to the ubiquitous attacks in Democratic Kampuchea radio broadcasts, that the Phnom Penh government was the puppet of the Vietnamese.

Many of the opposition political parties had strong anti-Vietnamese tendencies and to one extent or another espoused positions similar to the anti-Vietnamese stance of the Party of Democratic Kampuchea broadcast regularly from the border; this evidences itself early on in inflammatory articles in the KPNLF Weekly Bulletin—although they were toned down after UNTAC objected to them. As the campaign progressed, some material of this kind also appeared in the FUNCINPEC youth bulletin Samleng Yuveakchon Khmer.

The independent media which arose since the beginning of the year, both internationally financed enterprises and small-scale Khmer ones, was less free from political pressure than might ideally be the case. In conversation, Cambodians often complained that new newspapers would start which seemed politically neutral and then, after a few issues, would always begin assuming inflexibly the State of Cambodia political line. There seems to be some validity of this charge at least in the case of the largest of the new newspapers, Kaoh Santepheap, Reaksmei Kampuchea, and the Khmer version of the Cambodia Times; and some of the other smaller newspapers may have modified their editorial positions to some extent in response to pressures or bribes—although there was certainly variation in their political position, and it is hard to distinguish between what is a genuine political position and that produced by pressures. The Thai-financed IBC TV, which began broadcasting during the campaign period, had a clear pro-SOC position from the very beginning, leading some to conclude that this stance was part of the agreement by which the station was allowed to open. Evidence suggests that the Thai television firm specifically had links to the prominent CPP figure Prince Norodom Chakkrapong, who was often featured in their programming.

Even though the independent media may have been less politically neutral than ideally would have been the case, its emergence nevertheless represented a real change in the way the media worked. Although the State of Cambodia newspapers were available for sale in Phnom Penh in a couple of government stores, they had over the years primarily been distributed through government offices to state employees. The growth of an independent print media in Phnom Penh corresponded to the amazing proliferation of news stands throughout the city—apparently similar to the large numbers of newsstands which had existed prior to 1975—and the actual sale of the independent papers was essential to their continued existence in a way that it had not been for with the state organs of media for many years. Reports on crime (which had made the State of Cambodia police newspaper Nokorbal Pracheachon so popular) and sensationalistic love stories (occasionally semipornograpic) were standard fare in the new newspapers, and may have had more to do in determining which newspapers sold well than their political positions. Some of the new smaller newspapers assumed the names of newspapers which had existed prior to 197 underlining the notion that the new era represented a return to the past.

Although some Cambodians complained that the political bias of the new newspapers was no better than the bias that had come before, there was in fact a significant difference simply in the fact that, because they were nominally independent, the new newspapers could cover events involving a number of parties. This contrasted with the situation as late as the end of 1992, when journalists associated with State of Cambodia, on the one hand, and the opposition parties, on the other, were saying they did not feel they could even enter the state or party offices of the opposing faction to conduct interviews in the course of their journalistic work—for fear it would be interpreted as political betrayal. Whatever the degree of bias of the new independent newspapers, they had a certain freedom which allowed some kinds of news to be covered which had not been covered before.

When the Thai-financed newspaper Reaksmei Kampuchea began being published in April, it had a strong impact on the print media. It was published daily, used color, had a more sophisticated layout than other papers, and yet, as Cambodians often pointed out, was being sold for the same price as other newspapers. The editor, Pen Samitthi, one of the more talented Cambodian editors, came from Cambodian People's Party municipality newspaper Phnom Penh. Reaksmei Kampuchea was able to pay much higher salaries than a government newspaper, and some of his staff at Phnom Penh, as well as experienced journalists from a number of other papers, left their jobs to join the paper. Other newspapers have complained that it was difficult to compete with the new newspaper. The impact was particularly dramatic in the case of the State of Cambodia police newspaper Nokorbal Pracheachon, which for many months had grown in popularity—because it was the most politically daring of the State of Cambodia newspapers and because as a police newspaper it was in a position to cover salacious crime stories which attracted wide readership; circulation fell drastically when the new Reaksmei Kampuchea, less closely identified with the state began covering the same themes on a daily basis.

Although, like Kaoh Santepheap and the Khmer edition of Cambodia Times, Reaksmei Kampuchea was initially perceived as neutral, it took a strong pro-CPP stand during the election campaign and after the elections it supported CPP allegations that the elections were not fair. Although some Cambodians complained in conversation about the bias of the paper, it continued to be widely read.

The arrival on the scene of Reaksmei Kampuchea was similar to the arrival on the scene of the Khmer edition of Cambodia Times; it was in a position to dominate the scene because of the investment funds backing it from overseas—and technological advantages it had in being printed overseas. At the present time, it seems likely that the impact of Reaksmei Kampuchea will be more far-reaching than that of the Cambodia Times—because it is a daily newspaper and because, with a Cambodian editor and Khmer sensibility, it is perceived as more truly in tune with Cambodian tastes. It is not clear to what extent it is really making a profit as of yet.

IBC-TV, also Thai-financed, has a greater broadcasting range than TV Kampuchea, and has, like Reaksmei Kampuchea, become very popular very quickly. Officials at TVK say that there has been no problems of staff leaving to work for IBC-TV, but they are sensitive to the fact that the new television station has been able to attract kinds of advertisers that it has not.

During the actual election all broadcast media, in accordance with electoral regulations, refrained from political broadcasting, and in the wake of the elections the station never returned to the pitch of acrimony reached during the campaign period.

All the political party bulletins which started in the period before the elections have now stopped publication. In a newspaper interview with newly appointed Minister of Information Khieu Kanharit, he stated that FUNCINPEC TV and radio could not continue as the stations of a political party, but would have to become private stations. The elimination of media outlets which are official party organs seems to represent policy or a gentlemen's agreement among the parties. The CPP official party newspaper Pracheachon is also becoming a private paper. (Officials have confirmed reports that BLDP [Buddhist Liberal Democratic Party] has brought equipment to Phnom Penh to create its own radio station; it is not clear yet whether this will have to become private.)

The changes within the government following the election leave the State of Cambodia media in a precarious position; their editorial stances have been extremely cautious and neutral as they wait to see what the future holds for them (as perhaps is true of the Cambodian media now more generally—it is worth noting that FUNCINPEC radio and TV have also refrained from criticism of other parties.) State of Cambodia radio, the government news agency, and the police newspaper, have all changed their names. Phnom Penh newspaper has stopped publication—it could not really survive the loss of its editor to Reaksmei Kampuchea and its declining ability to pay its staff a living wage. While the newspaper has officially only shut down temporarily, most outside observers conclude the move is permanent. Khieu Kanharit told UNTAC information representatives that the only remaining government newspaper would be Kampuchea. Since Khieu Kanharit was closely associated with Kampuchea for many years, the fact that he has been appointed Minister of Information will probably serve to strengthen the newspaper—which has tended to be weak since he was removed as its editor in 1990.

Ominously, some newspapers—most conspicuously the new newspaper Otdamkate Khmer, but also some newspapers previously associated with SOC/CPP, Kaoh Santepheap and Santepheap—have begun taking a more clear anti-Vietnamese stance than would have been possible before the elections.

Conclusions:

UNTAC itself has been a player in the changes that have taken place in the media. Information/ Education Division radio and television programming came to assume a quite important role to average Cambodian listeners and viewers as well as initiating new types of programming which were imitated by other stations. The Information/ Education Control Unit also played a role, by ongoing dialogue with the Cambodian media in which it attempted to promote basic principles of press freedom and journalistic ethics.

It would be nice to think of the developments in the Cambodian media as representing an opening up to the market economy which at the same time represents an opening up to principles of the free press which UNTAC has promoted. The truth is probably more complicated. An economic change has taken place which it is impossible to reverse. In the short run, this seems to have produced a multiplicity of voices in the media—but the survival of newspapers may be an issue. It will not be easy for small-scale Cambodian-financed media to survive. There is certainly a risk right now that the traditions of Cambodian journalism which have grown out of the socialist years may be being too facilely discarded—instead of being used as a base for the creation of new institutions. There is also the ongoing risk of government intervention. The editor of one of the larger newspapers recently said in conversation that the provisional government was beginning to press down on the press in ways which hadn't happened before; it remains to be seen how harsh or widespread this kind of pressure will be. Some of the freedom of the press being enjoyed now can be lost as a new government consolidates its position of power. Whatever future the Cambodian press builds for itself, it will be a slow and complicated process.

Indonesia

Daily Rejects 'Extraordinary' Status for Xanana

BK3008113793 Jakarta MERDEKA in Indonesian 14 Aug 93 p 4

[Editorial: "Xanana Is Not Extraordinary Person"]

[Text] The process of granting clemency to Jose Alexander Xanana Gusmao was rapidly carried out. The Security Disturbing Group (GPK) leader, who was sentenced to life imprisonment, was granted clemency by the president after submitting his plea for clemency in less than half a year.

On Friday, 13 August, Minister-State Secretary Murdiono announced that Gusmao had been granted clemency by the president. The clemency was a reduction of the original life imprisonment term to only 20 years imprisonment. President Suharto also granted clemency to two other rebel leaders: Carlos Dos Santos Lamos and Bonifatio Ferera.

According to Murdiono, President Suharto's decision and reason for granting clemency to the three was due to the fact that Xanana admitted that his actions were a mistake and acknowledged the fact that East Timor is an integral part of the Republic of Indonesia. This issue and fact have been fully accepted.

Granting clemency to Xanana and his two compatriots was something considered "extraordinary" if we view it from past appeals for clemency. Granting clemency to them was expeditiously approved. The rapid process has afforded us with a certain political understanding that Xanana is one "extraordinary" factor toward the settlement of our foreign political issues connected with East Timor, which unitl now has not brought a "heartening ray of hope."

We truly welcome the clemency because it indicates our honorable attitude to accept a person who has admitted his misgivings. Therefore, Xanana and his two compatriots should appreciate the clemency, for, otherwise, they would have to wait indefinitely for such clemency to be approved.

It means that Xanana should not receive any "extraordinary" political privileges because the East Timor issue is currently being turned into an international political issue by countries which are against Indonesia.

We cannot transform Xanana as our "key" factor in trying to soften the harsh stance of certain countries which are opposed to Indonesia's integration of East Timor as part of its integral territory. Moreover, Xanana would not be in a position to become a "key" factor in trying to win over the confidence of certain cultured Western countries with regard to Indonesia's advocating human rights.

In our opinion, whether or not Xanana is in any way connected with Indonesia's foreign political issues, there are certain Western countries which will continue to play up the 12 November 1992 Dili incident in connection with the human rights issue.

Portugal, which considers itself a cultured nation and a "hero" of East Timor's social justice, will definitely continue to create difficulties for Indonesia regarding East Timor being part of our country's integral territory. So, when and where can Xanana Gusmao cool his upbeat sentiments? The answer is negative, because the East Timor issue will continue to remain part of the Western nations' arrogant attitude.

Above all matters, we should first satisfy ourselves and reaffirm that East Timor, which we have acquired, is definitely and rightfully Indonesia's territory, and for that reason no other country has the right to suppresss our populous and highly respected nation.

The pressures inflicted upon us by certain Western nations who consider themselves cultured, is, in truth, meant to discredit us, while on the other hand they can be accomodating. In this context, the choice we must make is none other than to further enhance our diplomatic networks.

The issue of East Timor has yet to be fully solved through international political debates. According to our perception, this depends on our foreign diplomacy which should be fortified to a level where Western nations will place a high regard for Indonesia.

Returning to the question of Xanana Gusmao, we cartainly hope that the leader of the Dili incident, where numerous victims sacrificed their lives, will return to the fold of the Indonesian community and lead his life as any other Indonesian. Xanana did not spontaneosuly respond to the rights of being a special person simply because he was the nucleus of the Dili incident. He cannot be exemplified because we have yet to settle the East Timor tangle through international debates. Thus, Xanana cannot be considered a symbol of the country's respect for and advocation of human rights. As a large and respected nation, we should perpetually endeavor toward solving our personal problems.

Laos

Lao-Burmese Border Commission Meets; Signs Pact

BK3108041993 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 31 Aug 93

[Text] The fifth meeting of the Lao and Myanmar [Burmese] joint border commissions, which was opened in Rangoon, capital of the Union of Myanmar, on 23 August, closed with glorious success on 26 August. The Lao side was headed by Souban Salitthilat, deputy minister of foreign affairs and concurrently chairman of the Lao- Myanmar Joint Border Commission. The Myanmar side was headed by U Nyunt Swe, deputy minister of foreign affairs and concurrently chairman of the Myanmar-Lao Joint Border Commission. Following the meeting, an agreement was jointly signed on 26 August. The main contents of the agreement was on the recent border work the two sides jointly carried out. They have also endorsed a map of the border with a scale of 1:10,000 and another on the general boundary with a scale of 1:50,000. The two relevant maps were signed earlier by heads of the technical teams of both sides.

This meeting is final one in which the two sides reviewed overall technical work they jointly carried out with glorious success and good mutual understanding since January 1991.

Delegations From Oudomsai Province Visit PRC

BK2808035093 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 28 Aug 93

[Text] Early last week, the delegations of Sai and Houn Districts, Oudomsai Province, left for a 15-day visit to the Xishuang Banna Region, Kunming, Yunnan Province, in the PRC. The delegations were led by Nosen Sinkeomani, chief of Sai District, and Inthong, chief of Houn District.

The delegations of the two districts were welcomed by (Zhi Longgou), head of the Xishuang Banna Region Company, Yunnan Province, and officials concerned. On this occasion, both sides held consultations and exchanged lessons from past experiences on the issues of cooperation in economic, cultural, and other fields in conformity with the renovation policy and the aspirations of the peoples of the two countries.

The visit to Xishuang Banna Region by the Lao delegations significantly contributes to the further strengthening and expanding the relations of friendship and cooperation at the local level between the two countries, Laos and China.

Vietnamese Delegation Discusses Relations

BK2908023693 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Aug 93

[Text] The delegation of the SRV's Quang Tri Province headed by (Nguyen Duc Hoan), member of the Communist Party of Vietnam Central Committee and secretary of Quang Tri Province party committee, and the delegation of [Laos'] Savannakhet Province headed by Saisomphon Phomvihan, member of the party Central Committee, secretary of the provincial party committee, and governor of Savannakhet Province, (?recently) held a consultative meeting on the issue of relations and cooperation between the two provinces. At the meeting, the two delegations drew lessons from each other on development in the economic, cultural, and other fields. At the same time, they also discussed ways to regulate and resolve problems on mutual trading and exchange of visits between peoples living along the border of the two countries on the basis of the enforcement of laws in each country and the treaty on [Lao-Vietnamese] border regulations.

Delegation Arrives in Nauru for APPU Meeting

BK3008125793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 30 Aug 93

[Text] According to a report from the National Assembly, the delegation of the National Assembly headed by Sisouphanthaheuangsi Sisaleumsak, member of the National Assembly and vice chairman of its Foreign Affairs Commission, arrived in Yaren in Nauru to attend the 28th Congress of the Asia-Pacific Parliamentary Union [APPU].

A National Assembly official said that the APPU Congress is scheduled to last from 30 August to 3 September. It appeared that delegates from more than 20 countries in the Asia-Pacific region and representatives of a number of international organizations attending this congress plan to officially admit the Lao People's Democratic Republic as an APPU member.

Philippines

Government To Open Eight New Consulates

HK3008081993 Manila BUSINESS WORLD in English 30 Aug 93 p 19

[Text] The Department of Foreign Affairs [DFA] will open eight new posts abroad in line with its economic diplomacy thrust, Foreign Affairs Secretary Roberto Romulo disclosed over the weekend. Mr. Romulo pointed out that President Ramos has already approved the opening of consulates in the following cities:

—Milan, Italy, where an estimated 30,000 Filipinos are residing;

—Ho Chi Minh City, Vietnam, which is touted as one of the most promising tiger economies in Asia;

—Phnom Phen in Cambodia, because the Philippine Government deems it important to focus on the neighbors of the Association of Southeast Asian Nations [ASEAN] who may eventually become ASEAN members;

—Vladivostok, Russia, where the Philippines is eyeing potential trade and investment opportunities with the Russian Far East businessmen in the areas of fisheries and forestry;

—Pretoria, South Africa, in anticipation of the formation of a new multi-racial government next year and the trade and investment potential it offers. Mr. Romulo clarified that a Philippine consulate in Pretoria does not mean that the Ramos Administration is giving diplomatic recognition to South Africa. "We are not going to do that with South Africa until they have a multi-racial government and the United Nations sanctions are lifted;"

—Copenhagen, Denmark, since it is the only country in the European Community where the Philippines has no representation;

—Vientiane, Laos, since it is also an ASEAN neighbor; and

—Sabah, where the DFA plans to establish an extension office to serve the thousands of Filipinos there.

Although the DFA has announced the closure of Philippine embassies in Poland, Peru, Jordan, Senegal, Morocco, Sri Lanka and Micronesia, as well as consular establishments in San Diego, Seattle and Houston due in part to its streamlining and cost-cutting measures, Mr. Romulo stressed that these new posts targetted by the DFA next year will open up more opportunities for the country in terms of trade and investment potentials.

Mr. Romulo also disclosed that the DFA plans to acquire two buildings next year to house the Philippine embassies in Rome and Geneva. "The DFA spends P121 million [Philippine pesos] in rent abroad. If we could just buy two buildings a year, then eventually we won't have to spend that much in rent," he said.

Last week, the DFA has requested the House Budget Committee for an additional P559 million for its 1994 budget in order to maintain its economic diplomacy thrust. The 1994 budget of the DFA is P1.5 billion, less than half of 1 of the country's 1994 national budget. This year, the DFA has a budget of P1.894 billion, a little less than its 1992 budget of P1.9 billion.

The foreign affairs chief explained that the additional P559 million funding the DFA is requesting would go to economic diplomacy-related activities, the Foreign Information Council, opening of new posts, capital outlay, and the acquisition of two buildings. "Without the additional P559 million we are requesting for our economic diplomacy program and the (FIS), we would be having the money only for the traditional 'business as usual' activities," he said.

Senate Approves Extradition Pact With Australia

HK3008084193 Manila MANILA BULLETIN in English 29 Aug 93 p 1

[Text] The government began a series of moves yesterday to bar Filipinos wanted in Philippine courts from escaping to seek foreign havens when the Senate, by unanimous vote, passed on second reading a landmark treaty binding the Philippines and Australia to cooperate in checking crimes committed by their nationals.

Sen. Blas Ople; chairman of the Senate foreign relations committee, and sponsor of the treaty resolution, said the treaty sets a standard which will facilitate the conclusion of a similar agreement soon with the United States. Ople said the treaty on mutual assistance in criminal matters between the Philippines and Australia was the first time RP [Republic of the Philippines] entered into any such agreement with any country. Signed in Canberra in 1988, the Senate did not act upon it in subsequent years of the Aquino administration. President Ramos had to resubmit it to the new Senate for its concurrence.

"The Senate ratification of this treaty takes the battle against criminality to the international frontier, part of a longer term strategy to deny havens to Filipino criminals wanted by our courts," Ople said. "The U.S. and Australia are the first refuge of choice for Filipinos who want to escape from our justice, because there they are assured of networks of kin and friends ready to receive and assist them," he said.

Ople said that, while the Philippines now has an extradition treaty with Australia, there is as yet none with the U.S. Such a treaty with the U.S. was nearly concluded in 1982 in Washington, but the U.S. balked at the last moment because of wide-spread opposition to it from Filipino communities who feared the long arm of the Marcos government.

But Ople said a treaty on mutual assistance in criminal justice must be distinguished from an extradition treaty, because the former provides a fuller scope of cooperation, including matters still under investigation, while an extradition treaty is a more rigorous arrangement that deals with persons already convicted or under trial in courts.

The senator said the new treaty will equip the Philippine government with the means to proceed more vigorously and effectively against international drug networks involving Australians and Filipinos. Visitors from Australia have also a disproportionate presence in cases related to the abuse of minors and illegal recreation establishments, he said.

The treaty will also boost the efforts of law enforcers in identifying Australian drug traffickers engaged in the smuggle of illicit drugs such as "shabu" [methamphetamine hydrochloride] into the country and the export of locally-grown marijuana and hashish oil to the United States and European countries, the senator added.

World Bank Grants Loan for Subic Development

HK3108040493 Manila BUSINESS WORLD in English 31 Aug 93 p 11

[By Genevieve I. Soledadad]

[Text] The World Bank (WB) has finally agreed to release some $30 million for the development of infrastructure projects inside the Subic Bay Special Economic Zone (SEZ).

In an interview, Subic Bay Metropolitan Authority (SBMA) chairman Richard Gordon said WB officials have assured the release of the soft-loan package for Subic. The WB loan will fund infrastructure projects inside the SEZ like the modification of the port and airport, construction of a water and sewage system, building of a security zone and mini-terminal inside the airport, construction of a bridge, and soil tests. The security zone will serve as a quarantine area where visitors will first have to undergo a security check before they enter Subic, said Mr Gordon.

The WB will be sending an appraisal mission soon to determine which projects will get first priority under the loan package. Mr Gordon said the WB will probably start releasing the loans after six months. But the SBMA can start building the infrastructure projects and just charge these against the loan package pending its actual release, said Mr Gordon.

The WB also earlier agreed to lend the SBMA another $500,000 for consultative studies.

Meanwhile, the SBMA also received final bids for the operation of Subic's telecommunication facilities last Friday. Earlier, telecommunication firms such as the Philippine Long Distance Telephone Co, Digital Telecommunications, Inc, Cable and Wireless, Eastern Telecoms, and GTE sent feelers on their interest in the project.

The government converted Subic into a SEZ following the American pull out from the former military base in 1991. Subic is made up of 15,130 hectares of land, 40 of which is developed. Its facilities include a number of piers and wharves with a total berthing space of 10,000 feet. It also has the Cubi Naval Air Station with a 9,000-feet runway.

Twenty-four firms have so far set up shop inside Subic. The biggest investors are Enron with P3 illion [Philippine pesos]; Coastal Petroleum, P2.75 billion; and Genting International Casino Hotel and Resort, P2.5 billion. Total investment is now worth P8.886 billion.

Board of Investment Approves New Projects

HK3008034093 Manila THE MANILA CHRONICLE in English 28 Aug 93 p 9

[Report by Loreli de Belen]

[Text] The Board of Investment (BOI) has approved a total P978.93 million [Philippine pesos] worth of new and expansion projects.

These include the P492 million integrated circuit project of Motorola Philippines Inc, a subsidiary of the U.S.-based electronics firm. Motorola's project entails the putting up of a new line of facilities that will produce small outline integrated circuit at an annual capacity of 234.78 million [Units] starting December this year. Based on Motorola's application with the BOI, the local firm said it would finance the P492-million project through internally generated funds. Last year, the company said it registered retained earnings of P888 million.

The BOI, however, turned down Motorola's application for pioneer status for its project. Motorola obtained a non-pioneer status instead with relatively limited incentives since the product is already being manufactured by other electronics firms.

Saffron Philippines Inc, meanwhile, brought in the second largest package of investments approved by the BOI. This includes:

—a P364-million textile dyeing and finishing project, which is aimed at increasing Saffron's fabric dyeing capacity to 5.959 million kilograms yearly and its yarn dyeing to two million kilograms yearly; and

—Japanese electronics company Matsushita Philippines Corp is also investing P30 million to put up a research and development unit.

This unit will conduct research on and development of chloroflourcarbon (CFC) being used in refrigerator-making. Matsushita said the firm wants to be able to contribute to efforts of other industrialized countries to phase out the use of CFC before the year 2000. The unit is to be the first in the country although other refrigerator producers have already been considering shifting away from using CFC.

The other new and expansion projects are: Asian Durables Manufacturing Inc's P32 million washing machine production facility; and D'Dynasty Inc's P60-million tourist accommodation facility in Cagayan de Oro City.

Defense Department 'Bewails' Lack of Funds

HK3108041093 Manila BUSINESS WORLD in English 31 Aug 93 p 12

[Report by Shiela A. Samonte]

[Text] Is P23.2 billion [Philippine pesos] enough for the country to gain economic security next year? The budget is measly, but the need is great, the Department of National Defense [DND] bewails. The department's litany of woes are not hard to believe, considering the statistics.

In terms of naval capability, it would take at least a day for the Philippine Navy to patrol two and a half miles of the country's shorelines, Defense Undersecretary Feliciano Gasis said. This means it would take the Navy 23 years to cover the entire Philippine archipelago which consists of 21,591.7 statue miles.

"If we are to face any country (in a combat) frontally, we will not be able to last for 24 hours," the Defense official hypothetically said. [sentence as published]

On the other hand, Armed Forces of the Philippines [AFP] chief Gen. Lisandro Abadia provided a more descriptive scenario. "If the Philippine Navy will engage in a combat with the Brunei Navy, our boats will be sunk since they are capable of firing within a 10-mile radius. We're the only country which doesn't have a gunboat," he said.

The department will allocate P300 million for the Navy to construct and outfit two patrol gunboats. This figure is about equivalent to the proposed budget of the Local Water Utilities Administration to fund the country's potable water requirements in 1994.

In a country which has experienced an average of 265 intrusions in its territorial waters for the past five years, the DND's economic security thrust this year may be a hard nut to crack. "The coming into effect of the United Nations Convention on the Law of the Seas (UNCLOS) will provide us an exclusive economic zone with vast expanse of waters whose marine resources need to be protected," Mr Gasis said.

In addition, the Defense official has identified the territorial dispute among Southeast Asian countries over the Spratly islands as a regional threat. "Even now, rampant poaching in our territorial waters has accounted for losses estimated at billions of pesos per year," he said. "Piracy on the high seas, particularly in the border areas in the south and in the South China Sea, is increasingly becoming a regional concern. Intrusion, smuggling and illegal trafficking at the border areas will likely continue."

While the defense budget has traditionally been regarded as a cost center for government, the DND official urged Congress to view the budget as a profit center. "Modernization aims to make our armed forces deserving of respect and able to perform their mandate to protect the marine, mineral, forest and other resources within the Philippine territorial borders and its exclusive economic zone," he explained.

Based on DND figures, the Philippines' defense budget is the lowest in Asia. The current average expenditure for defense accounts for merely 1.3

of the gross national product, in contrast with Singapore with the highest at 8.5

, Malaysia at 4.3

, Brunei at 4.2

, Thailand at 3.1

, and Indonesia at 1.4

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On per capita comparison, the country shells out $9.62 per citizen on defense activities, while Brunei, which allocates 10.5

of its national budget to defense, spends $1,007.47.

A total of P2 billion has been proposed for the AFP modernization program next year.

NPA Stepping Up Activities To Cover 'Rifts'

HK3008041093 Manila MANILA BULLETIN in English 30 Aug 93 p 7

[By Sel A. Baysa]

[Text] Communist rebels are reportedly waging intensified terroristic activities in the Visayas and Mindanao to divert the attention of New People's Army (NPA) cadres from the current rifts and infighting within their organization. The projected attacks were contained in captured rebel documents and revealed the other day by Brig Gen Rene S. Dado, Armed Forces of the Philippines (AFP) Civil Relations Service (CRS) chief.

Dado said the Communist Party of the Philippines (CPP) Central Committee has given strict instruction for cadres based in the two regions "to resume tactical offensives against government targets." Quoting the captured documents, Dado said the directive was aimed at avoiding rebel forces in Visayas and Mindanao from being tied down by "theoretical debates." He noted that the ongoing rift and infighting within the underground movement have started to sink to the lower organs from what started off as mere intramurals among its top leaders.

Furthermore, the CRS chief said, the plan to form a "New Communist Party" was expected to worsen the polarization in the underground movement.

Labor Group Warns Splinter Group on Using Name

HK3008051093 Manila THE MANILA CHRONICLE in English 30 Aug 93 p 1

[By Gemma Tampus]

[Text] The national leadership of Kilusang Mayo Uno (KMU) [1 May Movement] has warned a splinter group from using the name of the labor federation and from collecting dues from affiliated unions. [sentence as published] But it did not say what sanctions would be taken against the breakaway chapter based in Metro Manila and Rizal if it continued to defy the warning.

Led by Romeo Castillo, former KMU vice chairman for the National Capital Region and Rizal, the maverick group last week announced it would no longer recognize the authority of the national federation because of alleged corruption among the leaders. Castillo claimed that all 320 unions under KMU's local chapters in metro Manila and Rizal with total membership of 134,000 were supporting the splinter group.

In a statement issued Friday, KMU's national executive council forbade Castillo and 30 other regional council members in Metro Manila and Rizal from "further using the name of the KMU in any form of activity involving local unions, and from further collecting union dues from member-unions, among others."

The split in the militant labor group, also one of the biggest federations, has alarmed a rival organization as well as labor officials who fear the break-up might erode the bargaining power of the entire labor sector.

Homer Punsalan, spokesperson for the moderate Trade Union Congress of the Philippines (TUCP), said his group was saddened by the KMU break-up. "Although we had differences, the TUCP has always recognized the importance of the KMU as a partner in advancing workers' rights and interests," he added. He also said labor leaders whose ideological orientation differs from KMU's had nothing to gain from the rift because it could only mean that workers' bargaining power as a whole had been reduced. Only the employers and the government will rejoice over the KMU split because they will think that KMU leaders are now more preoccupied with consolidating their ranks rather than campaigning for a wage increase, he added. TUCP is the main rival of KMU, having clashed with the militant federation on several occasions over issues.

Labor Secretary Nieves Confessor expressed a similar reaction to the split. "I don't like it, especially because now is the time for them to get their acts together," she said. She pointed out that labor groups were supposed to consolidate their positions on several labor issues which they would present during the National Tripartite Conference and the economic summit scheduled next month. She also said the labor department would closely monitor the rift within the KMU because of its implication at the enterprise level.

The Metro Manila-Rizal group is charging some of KMU's national officers of "massive corruption" in justifying the break-up. But the split could be an offshoot of an ongoing rift in the Communist Party of the Philippines (CPP). Last month, the Manila-Rizal Regional Committee led by Filemon Lagman announced it was breaking off with the party following very strong differences with Jose Ma Sison, the alleged chairman and founder of CPP who is now in exile in the Netherlands.

A day after the KMU regional council broke from the national federation, the Metro Manila and Rizal chapter of Bagong Alyansang Makabayan (Bayan) announced it was also cutting links with Bayan's national office.

The breakaway group of KMU has charged in a press conference that some national leaders had sold out the workers during collective bargaining negotiations with employers of big companies in the region. But those being accused, including national chairman Crispin Beltran, have denied the allegations and charged instead the splinter group of factionalism for instigating the split.

Cult Says Ferdinand Marcos 'God of All Mankind'

HK3008020493 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Aug 93

[Text] A cult called Alpha-Omega has begun preparations for the revelation and resurrection of former President Ferdinand Marcos, whose corpse is scheduled to arrive in the country on 7 September. The cult claimed that Marcos was not just an ordinary human being but also a saint. The cult members, led by a Mama Rose, said their cult is prepared to declare the former president as "The God of All Mankind" on 7 September.

Thailand

Report on Thai Delegation's Visit to PRC

BK3008154193 Bangkok Army Television Channel 5 in Thai 1200 GMT 30 Aug 93

[Text] Prime Minister Chuan Likphai, who is on a tour of China, visited a bicycle factory in Shanghai and the Shenzhen economic zone today.

The prime minister and his delegation called on the bicycle company, which is a joint venture between the Charoen Phokhaphan Group of Thailand and Shanghai's car assembly factory. The company, which has been manufacturing bicycles for nine years, is rated one of China's top 10 enterprises. Its products are very popular among Chinese people and in export markets. During his visit, the prime minister expressed appreciation for the success of the Thai-Chinese joint venture, and said this augurs well for future cooperation between Thailand and the PRC.

After a visit to the bicycle company, the prime minister visited the Shenzhen Special Economic Zone in Guangdong. Shenzhen is a modern town modeled on a western city. It is the center of production—agriculture, industry, and services—with a very high volume in trade with other countries, and very modern stock exchange facilities. The prime minister and his party will seek to learn more about the economic development of Shenzhen.

Also accompanying the prime minister on this visit is Foreign Minister Squadron Leader Prasong Sunsiri. The foreign minister held official consulations with Qian Qichen, Chinese vice premier and foreign minister, on cooperation regarding the problem of Cambodia. Squadron Leader Prasong said that China made clear that it maintains an attitude similar to those of Thailand and ASEAN—to support Cambodia in all areas. China believed that Cambodia would soon be able to find a solution to its problem, since the issue of the Khmer Rouge remains the only obstacle. The leaders of other Cambodian factions are studying ways to disarm the Khmer Rouge, calling the Khmer Rouge to join the peace force, and appointing the Khmer Rouge leader as an adviser to the government. The probability of these measures succeeding is high. Prince Norodom Sihanouk will call a meeting of all parties in early September to study the situation.

Asked about the success of the current visit in terms of strengthening relations, the foreign minister said results have been beyond expectation. Thailand has gained enormous benefits from the visit, especially in view of regional stability and international politics. He noted that the world had been paying close attention to Prime Minister Li Peng, who had not been seen in public welcoming foreign leaders for several months. The Chinese premier did show up to welcome the Thai prime minister, and this reflected the importance China accords Thailand and the close cooperation between Thailand and China.

Regarding business matters, he said that Thai businessmen had a chance to study the prospects for trade and investment in China, following a general fear concerning security and high risks for foreign investment in China due to trade and investment regulations under the socialist system.

Firm Wants PRC Cooperation in Satellite Dispute

BK3008033793 Bangkok THE NATION in English 30 Aug 93 pp B1, B2

[Text] Chinnawat Computer and Communications Co will ask the Thai government to seek cooperation from Beijing to help solve the orbital slot problem barring optimal use of the company's soon-to- be-launched Thaicom 1 satellite.

Chairman Thaksin Chinnawat, whose company holds a 30-year concession to operate the communications satellites, said after returning from Beijing at the weekend that adjustment of the orbital slots of Beijing's AP Star-1 satellite Thaicom 1, and Hong Kong's AsiaSat 2 satellite appears to be the "most preferred" solution to the problem facing Thaicom 1 and AsiaSat 2.

AsiaSat 2 has booked an orbital slot of 100.5 degrees east while Thaicom 1's slot is at 101 degrees. Unless the slots are adjusted, the two spacecraft will interfere with each other because of their proximity. Satellites with overlapping footprints need to be at least 2.5 degrees, or 1,875 km, apart so that antennas on the ground can distinguish between their signals.

To avoid interference problems once both are in orbit, Chinnawat and AsiaSat Telecommunications recently opened talks to solve the problem, but no settlement has been reached because neither party wants to move its slot. Thaicom 1 is due to go into orbit in December, ahead of AsiaSat 2 whose launch is scheduled for sometime next year.

Thaksin said it has the Thai government's authority to seek the cooperation of BeiJing to settle the issue. The AP Star project is partly owned by the Charoen Phokkhaphan Group which is one of the largest foreign investors in China.

Charoen Phokkhaphan [CP] holds 25 per cent of China's APT satellite project through its affiliate Chia-Tai International Communications. The project is a joint-venture with three state-run Chinese companies. APT Satellite

Co Ltd is expected to launch its first communications satellite next year and a second the following year.

CP's partners in the venture are China Telecommunications Broadcast Satellite Corporation, the China Yuan Wan Group and Ever- Victory System Company Ltd. The project will cost an estimated US$200 million. CP said the first 24-transponder AP Star-1, an HS376 model, will be launched in June 1994.

It is unclear however, whether APT Satellite has registered its slot with the International Telecommunications Union, the body that registers satellite slots. A government source familiar with satellite communications said it is possible that APT might buy a slot from those who have been granted slots, such as Tonga, an island country near Australia.

Realignment of all three spacecraft slots (Thaicom 1, AsiaSat 2, and AP Star) is one of the three options disclosed by Thaksin, following his last round of negotiations with AsiaSat. Thaksin said the atmosphere of the talks is fnendly. Peter Jackson, the new AsiaSat chief executive officer, met with Thaksin in Bangkok last month to set the tone of talks on the way to settling the problem.

Thaksin said AsiaSat is also willing to adjust the angle of its ground station to accommodate the change. The other two options are as follows:

—AsiaSat may exchange the slot of its third satellite for that of Thaicom 1.

—Or the transponders of both spacecraft could be shared. When there is interference, some of the transponders could be shut down.

Chinnawat Computer and Communications is hopeful that a solution acceptable to the parties concerned can be approved before the end of next month so that Thaicom 1's launching schedule is not affected. He said a change in the launch would bring a chain of disruptions as the company is due to launch Thaicom 2 next year.

Thaksin, meanwhile, said he will urge the government to extend the 8-year 'protection' period granted to his company because terms and conditions of its concession are not as favourable as those in neighbouring countries, such as China. Investors in the AP Star project, for instance, do not have to pay a royalty fee to the government in return for the concession. In addition, China's central bank is guaranteeing the project's loan. These conditions increase the project's competitiveness.

Originally, the Thaicom concessionaire was supposed to be protected from domestic competition throughout the 30-year concession period. However, the Anan government cut the monopoly period to eight years. After this other companies may be awarded new concessions to compete with the subsidiary Chinnawat Satellite Co.

Thaksin was one of the 120 Thai businessmen who visited China last week, as part of the party of Prime Minister Chuan Likphai.

Thaksin also met China's aerospace authorities during which he indicated that his company may consider using China's services to launch future satellites—the second-generation of Thaicom.

Thai King Discusses Regional Ties, Problems

BK3008034993 Bangkok THE NATION in English 30 Aug 93 p a6

[Article by the regional desk entitled: "A royal plea for inter-regional cooperation"]

[Text] Thailand's future depends on cooperation within ASEAN and with the nation's other immediate neighbours—China, Laos, Cambodia and Burma—His Majesty the King has told diplomats.

"These four countries have a share in the benefits (of development). They must cooperate with us and at the same time we have to cooperate with them," said HM the King.

His talk, which was broadcast recently over radio, provided a rare insight into the King's perception of Thailand's foreign policy. His views were described as knowledgeable and realistic by observers.

The King said that if Thailand is to continue to prosper, a peaceful regional environment is essential and should not be limited only to ASEAN or Indochina, according to extracts of his talk carried by the Thai-language weekly current affairs magazine Khao Phiset.

The King referred in particular to the upper riparian countries of the Mekong River.

He said, Laos has been looking for a sea exit for its exports in Vietnam where it has access to the port city of Danang, and along the Mekong River through Cambodia as an alternative to exporting through Thailand.

"We will benefit if Laos continues to (use) Bangkok as an exit," he said.

He told diplomats he had heard complaints that it was more difficult and more expensive to travel from Vientiane to Bangkok than to travel from Bangkok to Paris.

"The reason people say this is that transportation is too expensive. If this trend continues, Laos will opt for Danang, which is closer and cheaper. Another thing is that when we trade with Laos selfishly we have a trade imbalance."

The King said the nation needs long-term policies comprehensively linked to infrastructure projects to improve quality and efficiency. He cited the Port Authority of Thailand as a good example of a need for development, saying the port is now too small.

"I say these things because I was thinking of Laos. In China, they have already built a road to Laos to facilitate trade," said the King.

The King talked at length about the situation in Burma. "This country is being treated like an undesirable. If we befriend such a person, the police are obliged to arrest us.

"So when we help Burma, or have contacts with Burma, the world community treats us like a pariah as well. It is the duty of the Foreign Ministry to look for a solution. If we follow the Western perception and jump on the bandwagon, saying that Burma is the bad guy, then we will have a neighbouring country like Bosnia- Herzegovina," said the King.

"If we study the histories of former Yugoslavia and Burma, there are similarities. Yugoslavia was comprised of different states. It is much worse in Burma because it has more ethnic groups. The Karens are not Burmese. Tai Yai is also different," he said.

The King said Thailand has to live with Burma, despite the Western perception of Rangoon, and it was essential to maintain contact with them to preserve peace in the region.

In the case of Cambodia, the King said if the Cambodian government does not include the Khmer Rouge the guerrillas will continue fight.

"We will then have a neighbour with an internal conflict. In that case it could spill over into Thai territory, and Thailand will have to fight. The Thai army is fully occupied already and to take proper care of the border would be difficult. Instead of spending energy to develop agriculture and industry, the army would have to push back on the border adjacent to Cambodia and Burma.

"So, it would become a vicious circle. And when we become the bad guy, the Foreign Ministry has to explain the situation we are faced with to various countries, which can be difficult. Therefore, foreign policy towards countries near us must be very subtle."

The King also referred to China, which he said wanted to strengthen ties with Thailand. "China has been criticized by the international community as a pariah, so we have to help China to change. China is also aware of international opinion, but the Chinese have to maintain stability in such a huge country, which has divergent ethnic groups and languages. Therefore, China has to be tough," said the King.

"If we can help China to develop, we should. China has never said it is a superpower. China is a big brother, but not a superpower. Our two countries have always had opportunities to talk in a brotherly manner," he said.

"Therefore, Thailand must have a subtle policy for the progress and well-being of the four countries I referred to—Laos, Burma, Cambodia and China."

The King said if Thailand was successful in consolidating these four countries, it would be to our great advantage and it would help strengthen ASEAN.

"Southeast Asia, including ASEAN can have be more cohesive than the European Community. Europe is richer but the member countries quarrel. We are not as rich, but are getting richer. We can have more rapport and help each other.

"Europe has Bosnia, which the member countries cannot agree on. We have Cambodia and Burma, which we must help so that the situation here does not become like the crisis in Bosnia.

Article on Foreign Ministry's 'Lack of Clarity'

BK3108013593 Bangkok THE NATION in English 31 Aug 93 p A6

[Article by Kawi Chongkitthawon Entitled: "Multilateralism and its Changes"]

[Text] The recent squabbling between the Foreign and Commerce Ministries over which organization should represent Thailand in the upcoming Asia-Pacific Economic Cooperation (Apec) forum meeting in Seattle, demonstrated once again the lack of clarity and vision among Thai foreign policy makers.

In the past several years, because of the Foreign Ministry's primary involvement with political problems, highlighted by the Cambodian conflict, economic issues were left behind to other ministries, especially the Commerce Ministry, which has now become the principle government body in trade negotiations.

As it is, the Commerce Ministry is more dynamic and forthright in tackling trade issues. On the contrary, the Foreign Ministry's bureaucratic redtape and tradition have stalled effective response on trade and economic conflicts.

In the early 1970's and 1980's, the security element was included in economic negotiations between Thailand and the West, particularly in talks with the United States. Undoubtedly, the Foreign Ministry played quite a big role in this.

However, domestic economic problems and growing trade deficits in the past decade toughened US trade negotiations with its allies including Thailand. In addition, changes in geopolitics since the mid-1980's that led to the end of Cold-War has effectively shelved the security consideration from trade negotiations.

This situation has diminished the Foreign Ministry's role in trade negotiations. However, in the past few years, the Foreign Ministry has been trying to increase its role in economic affairs by working with the private sector to locate new markets. When ASEAN decided to work toward the ASEAN Free Trade Area, the ministry also played a leading role in the proposal, which at times made it collide head-on with other ministries.

To be fair, when the foreign ministry is faced with new challenges, it has to adjust and reorganize itself to suit the new circumstances. In the past three decades, the Foreign Ministry's administrative machinery has undergone several changes that sought to reflect what was happening globally. This is indeed a healthy sign.

In 1973, the Department of Policy and Planning was established to oversee and formulate long-term policies. The ASEAN Department was separated from the Economic Affairs Department in 1977, to recognize the importance of the grouping and foster increased intra-economic cooperation among member states.

Under the former Foreign Minister Sitthi Sawetsila, the Office of the Military-Political Coordinator was established, signifying the growing importance of cooperation and involvement of the ministry and military over the management of the Cambodian conflict as well as border security issues.

The Cambodian conflict, since its outbreak, sapped most of the ministry's energy and intellectual capacity. So when the US government took tough action against Thailand over the farm subsidies under provisions of the Farm Acts from 1985 onwards, the ministry realized that an economic war was underway with one of its best allies. Since then, the foreign ministry has been concentrating on economic affairs. All ambassadors have been instructed to assume the role of salesmen who must sell Thailand and Thai products in whatever way they can.

Eventhough with such an awareness, the ministry is still very much preoccupied with political issues, which subsequently led to the reorganization of the Political Department along the lines of US State Department. The department now has four divisions: Division of East Asia and Pacific Affairs, Division of Middle East, South Asia and African Affairs, Division of American and Pacific Affairs and Division of European Affairs.

The new approach was taken in response to the urgent need to ease the Political Department's workload and responsibilities, which covered a wide range of issues. Under the new system, all aspects of bilateral relations, political, economic, social and cultural, will be dealt with comprehensively under one roof.

However, the ministry's plan came at the time when diplomacy has to do more with trade and economic issues. In that sense, the ministry's focus on bilateral relations indeed has not augured well with the ongoing trends that call for multilateral cooperations and negotiations.

As such, the Political Department has become the ministry's only supreme organization, while other departments have been pushed into oblivion in performing relatively unimportant tasks. Worse still, working relations between departments would depend on the personal relations between their directors and issues normally revolve around the Political Department.

The choice of foreign ministers, who ruled the ministry during the most crucial time since 1980's, also was an influential factor in shaping the ministry's preoccupation over security and non- economic aspects. Foreign ministers are normally former security officials who are not keen on trade and economic issues. Both Sitthi and current Foreign Minister Prasong Sunsiri come from similar backgrounds with considerable amount of experience in security issues.

A probable exception however was the period between 1990-91, during which there were many ministerial changes.

Now with new problems and issues the Foreign Ministry has to be more dynamic and forward looking with a clear vision. There are numerous global questions and the ministry has to come up with reasonable answers.

As Apec becomes a more powerful organization, what should the Foreign Ministry do? Should it set up a department to deal exclusively with Apec affairs like the ASEAN Department? Or should Apec be included in the ASEAN Department? Either way, the ministry has to have a policy otherwise the Apec and ASEAN affairs would over time get enmeshed in the bureaucracy and personality conflicts.

For example, with Thailand joining the Non-aligned Movement [NAM], what would be the proper division to handle these relations? At present, the Division of Middle East, South Asia and African Affairs is handling Nam relations. Should Thai-Nam ties come under by the Department of International Organizations? Of late, the issue of human rights has now gained currency in Thailand's foreign policy. This important policy has been carefully crafted by a small unit called the Social Division and it is high time more attention is paid to this section.

Doubtless, the Foreign Ministry is equipped to handle tough international trade negotiations because it has the human resources and diplomatic skills which go back a century. Prior to 1892, the Foreign Ministry was part of the Treasury Department known as Krom Chao Tha or Port Department, handling foreign trade and collecting tax through port visits by foreign ships. Nonetheless, before the ministry resumes that high profile, the top echelon must straighten things out and set priorities right without delay.

General on Phnom Penh Plans Against Khmer Rouge

BK3108012393 Bangkok THE NATION in English 31 Aug 93 p A4

[Text] CAMBODIAN government troops are expected to renew their offensive against the Khmer Rouge soon, a Thai military spokesman said yesterday.

Lt Gen Anuson Kritsanaserani told a news conference there are indications that government troops and the Khmer Rouge would battle each other again.

Phnom Penh's unified army launched a fierce offensive earlier this month against the Khmer Rouge near the Thai-Cambodian border in Banteay Meanchey province.

Troops of the United Nations Transitional Authority of Cambodia (Untac) have informed the Thai military there have been troop movements of the unified army in the Ban Nimit areas, Anuson said.

As a precaution, Thai people along Thai-Cambodian border have been warned of imminent attacks in their areas.

The Thai armed forces were on alert and had instructions to deal with the situation, Anuson said.

Units of the Thai security forces would retaliate with tough action if stray mortar shells harm Thai people at the border.

Thai troops near the border, he said, had been instructed to prepare holding centres for Cambodian civilians and soldiers who might flee the fighting into Thailand.

They would not be turned over to Phnom Penh authorities as had been demanded by the interim government there.

"Armed personnel who cross the border to seek refuge will be disarmed and put in holding centres and they will be pushed back after the situation calms down," he said.

"As for the civilians, we will allow them refuge for humanitarian reasons until the situation assures us that they will be safe when they return."

The same rules would apply to all fighters, not only those of the Khmer Rouge, he said.

Bracing for the worst situation, the Supreme Command Headquarters has set up a coordinating centre to provide security along Thai- Cambodian border.

The new centre, which will be under the command of Supreme Commander Gen Woranat Aphichari, will follow up on and implement Thailand's policy towards Cambodia.

Due to misunderstandings, Anuson said, there had been attacks by mortar shells from the unified army over the Thai side at Ta Phraya, Prachin Buri province.

In another development, Col Phalangkhun Klahan, the Army spokesman, said yesterday the Cambodian conflict would be discussed during Army chief Gen Wimon Wongwanit's forthcoming visit to the United States.

"The US has to understand that the Thai army has adhered to the UN resolution and treated all the Cambodian factions equally," Phalangkhun said.

Cambodian government forces earlier this month captured an important Khmer Rouge logistics base at Phum Chat, also in Banteay Meanchey Province, during the largest offensive in Cambodia for almost two years.

State Plans Repatriation of Citizens From Japan

OW2808154993 Tokyo KYODO in English 1349 GMT 28 Aug 93

[Text] Bangkok, Aug. 28 KYODO—Thailand plans an orderly repatriation program of Thais living illegally in Japan as part of a joint effort with Japan to curb criminal activities, the sex trade in particular, a senior government official said Saturday [28 August].

Deputy Interior Minister Suthas Nguenmuen said Japan had responded positively to the Thai plan and agreed to hold further discussions about the joint effort.

Suthas, just back from a three-day visit to Tokyo, said Thailand wants all illegal Thai residents in Japan to return home but it needs Japan's assistance in achieving the goal.

Suthas estimated there are about 80,000 Thais living and working in Japan. Of that figure, he said only about 6,000 are living legally as certified unskilled apprentices in companies.

Most illegal Thai males work in dirty, dangerous and difficult jobs while most of the females are prostitutes.

Japanese authorities recently stepped up efforts to crack down on illegal foreign workers and many Thais were arrested.

Japanese authorities plan to set up a detention center for illegal foreign workers by November, Suthas said.

He said his discussions in Tokyo focussed on ways to have arrested Thais returned to Thailand without having them to serve time in jail.

Thailand also asked Japan to share the cost of the repatriations.

Suthas brought back 57 illegal Thais, 20 men and 37 women. They had been in police custody on suspicion of staying illegally.

Japanese Investors 'Alarmed' by 'Poor' Planning

BK3008023193 Bangkok BANGKOK POST in English 30 Aug 93 p 21

[Text] NEW Japanese investment unrelated to expansion of existing operations and not started during double-digit GDP growth in Thailand has slowed to a trickle as a result of poor government planning of infrastructure development.

During May, Japanese government and corporate planners held a highlevel internal meeting to find ways to respond to the worsening economy at home. One result of that meeting was a reduction in investment abroad, said a source, who declined to be named.

The source, acting as a conduit for Japan Asian Investment Company (AIC) investment into Thailand, said what was emerging was increasingly targeting China and Malaysia at the expense of Thailand. The investment pattern indicated that Japanese investors, both portfolio and direct, were starting to place a premium on political stability and government effectiveness.

"Companies like Obayashi (a large Japanese construction company) which invested heavily for a strong presence here to take part in infrastructure development, are gravely taken back by the row over the expressway issue," the source said.

The source said many Thai leaders who continued to point to good GNP growth, liquidity in the financial system and falling local interest rates were not taking into account Japanese corporate culture.

"Japanese corporate citizens closely identify with one another when overseas and they see corporate citizens of other countries as fierce competitors."

Faces have been lost in Thailand, the souce said.

"Thailand needs to find its place again because a strong macro- economic performance in the region is no longer exclusive to Thailand. Today, Japanese corporations and investors aren't as interested in economic issues as before."

The source indicated that Japanese investors have taken a sharp interest in the Bank of Thailand and the banking industries' row over the interest rates level. According to the source, Japanese who traditionally place great respect on their economic planning and implementation were alarmed.

"They see the issue as parallel to what is occuring with the second stage expressway system. They aren't focusing on the purpose or the good intent of the Bank of Thailand but on the apparent failure by the Bank of Thailand to govern the financial system."

Thailand was competing against other ASEAN countries for a long time and then pulled out in front, the source said. But time was not standing still near the peak of the late 1980s and today others in the region have got their act together and aim to catch up with Thailand.

"Until Thailand sees that China and other emerging ASEAN countries are the competitors, limited Japanese investment can be looked forward to," the source said.

He said Thais should not assume that the hardening yen would spur investment. According to the source Japan's economy is in a dire situation and corporations there have lost their appetite for expansion, particularly in risk countries.

"What Thailand had to offer, a special opportunity, was infrastructure development. That has been taken away."

What might hurt Thailand most the source said, was that many Thai state and agency planners saw the uneasiness as part of a cycle that was likely to run its course.

The source said his Japanese counterparts have indicated that countries such as China, Indonesia and even the Philippines, with economies often looking difficult to manage were in reality having their economies run by a small group of highly able and powerful people.

Business Leaders Criticize Government on Economy

BK2908022193 Bangkok THE NATION in English 29 Aug 93 p A2

[By Apisak Dhanasettakorn]

[Text] Several leading businessmen yesterday criticized the government for not doing enough to boost the confidence of the business community in the long term prospects of the Thai economy.

Mr Pridiyathom Thewakun, a former deputy commerce minister, expressed concern over what he called the preoccupation of the National Economic and Social Development Board and the Bank of Thailand with the projected economic growth rate of 7.4-7.8 per cent this year. This has overshadowed the need to solve many economic problems facing Thailand in the future, he said.

He said the business slump is not just concentrated in the office and condominium sector, where the glut of space will worsen next year, and lower export growth.

The business sector is also being affected by the growing competitiveness of the Indochinese countries and the higher wages of Thai labourers, he said.

"The government is only good at talking to the opposition and the press. It has not done enough to boost the morale of business leaders so that they can make long-term business decisions," Pridiyathom said.

Pridiyathom and other business leaders spoke yesterday at a major economic seminar organized by Kasetsart University.

Thaksin Chinawat, president of a major telecommunications conglomerate, called on Prime Minister Chuan Likphai to have a clearer vision in directing the restructuring of the Thai economy to compete and deal with the problems ahead.

"He would not be accepted for work in a private firm," Thaksin said, pointing to the premier's qualifications.

He said he sympathized with Chuan who he said has to deal with numerous problems without having much experience in doing so.

The leaders called on the government to do more to strengthen the bureaucracy and make it more efficient.

Dr Suchat Thadathamrongwet of the Charoen Pokphand Group warned the government that it would have to assert its economic and political clout.

Wiraphong Ramangkun, a former finance minister and now adviser to Bangkok Bank of Commerce, said everybody knows the problems but no one has the answers.

He said the economy has slowed down, especially in the agricultural sector where all crop prices are facing a slump.

Pridiyathorn said this was the first government to witness a decline in the price of quality rice, from about Bt [baht] 3,800 per kwian to Bt3,200.

Vietnam

Border, Territorial Talks With PRC Reported

BK2908152293 Hanoi VNA in English 1406 GMT 29 Aug 93

[Text] Hanoi VNA August 29—Eight-day governmental talks on border and territorial issues between Vietnam and China started in Beijing on August 23. The Vietnamese delegation to the talks was led by Deputy Foreign Minister Vu Khoan and the Chinese delegation, Deputy Foreign Minister Tang Jiaxuan. The two sides conducted in-depth exchanges of views on fundamental principles to settle issues relating to land and sea border and territories. They concentrated their discussions on common awareness of a number of principles to solve border issues on land and to delineate the Tonkin Gulf. With respect to issues relating to the sea, the two sides agreed to continue discussions for a long-term and fundamental solution. They confirmed that during the talks neither side conducted activities to make the conflict complicated, use force or threat to use force. The talks took place in an atmosphere of friendship, frankness and mutual understanding. The Vietnamese delegation was received by Chinese Deputy Premier and Foreign Minister Qian Qichen.

United Nations Ambassador Visits California

BK2808070893 Hanoi VNA in English 0627 GMT 28 Aug 93

[Text] Hanoi VNA August 28—Ambassador Le Bang, acting head of the Vietnamese mission to the United Nations, paid his first visit to California, USA, from August 22-24.

During the visit Ambassador Le Bang held talks with Lieut. Governor Leo McCarthy of California who expressed the desire of companies in his state to early establish economic cooperation with Vietnam and to see early lifting of US embargo and early normalization of American-Vietnamese relations. Mr. McCarthy also spoke about the aspiration of overseas Vietnamese residing in his state to contribute to national construction in Vietnam.

Ambassador Le Bang also had working sessions with representatives of the World Trade Center, the Chamber of Commerce and such major California-based companies as Fluor Daniel, MacDonald, AT and T, and Doughlas.[company names as received] The American businesses showed their keen interest to do business with Vietnam which in their words is a promising market. They hoped the US embargo would be lifted soon so as they could push ahead their trading activities in Vietnam and compete with foreign companies there.

In a meeting with a large number of overseas Vietnamese in California, Ambassador Bang briefed them about the Vietnamese Government's renovation policy. For their part many overseas Vietnamese expressed their desire to contribute to national development in all fields, especially in healthcare and education and humanitarian activities.

Vo Van Kiet Welcomes Danish Deputies

BK2408154393 Hanoi VNA in English 1518 GMT 24 Aug 93

[Text] Hanoi VNA August 24—Prime Minister Vo Van Kiet and chairman of the National Assembly Nong Duc Manh received here today on separate occasions a delegation of the financial commission of the Parliament of Denmark led by its acting president, Mr Pia Olelleup, on a working visit to Vietnam.

Speaking at the reception, Prime Minister Kiet welcomed the visit as a new step of development in the friendly and cooperative relations between Vietnam and Denmark. He thanked the Danish Government and people for their effective assistance to Vietnam at present as well as in the past. He pointed out that the visit will be an opportunity to further promote the friendship and cooperation between the two countries in general and the two legislatures in particular.

On behalf of the Danish head delegate, Ms. Helle Degn, minister of cooperation and development, affirmed that the Danish Government and people have always reserved effective assistance and cooperation for the Vietnamese people and wished that the friendly and cooperative relations between the two countries and two legislatures would be further extended in various fields.

On the same day, the Danish delegation was cordially also received by Chairman of the National Assembly Nong Duc Manh. Chairman Nong Duc Manh welcomed the delegation's working visit to Vietnam, and highly valued the effective assistance of the Danish Parliament and people to the construction of infrastructure in Vietnam, which, he said he considered as a manifestation of the friendship and cooperation between Vietnam and Denmark.

This morning, the Vietnamese and Danish delegations held talks. Participating in the talks on the Vietnamese side were chairman of the National Assembly's Economy and Budget Commission Mai Thuc Lan, Minister of Finance Ho Te, assistant to minister for foreign affairs Nguyen Dinh Bin and other officials. On the Danish side were Mrs. Pia Gjelleup, acting chairman of the Danish legislature's Finance Commission, Mrs. Helle Degn, minister of development and cooperation, Mr. Mogens Lykketoft, minister of finance and other officials.

During the talks, the two sides informed each other of their countries's situation and activities of the two national assemblies. They discussed important issues of common concern and expressed their wishes for the further consolidating and development of the friendship and cooperation between the two legislatures and peoples in the interests of each country.

Danish Ambassador to Vietnam Mogens Isaksen was also present at the events.

Vo Van Kiet Receives Thai Minister Chawalit

BK2708151193 Hanoi VNA in English 1442 GMT 27 Aug 93

[Text] Hanoi VNA August 27—Prime Minister Vo Van Kiet received here today Mr. Chawalit Yongchaiyut, minister of the interior of Thailand, and his party now on a working visit to Vietnam.

During the reception, Minister Chawalit Yongchaiyut conveyed the Thai prime minister's regards to Prime Minister Vo Van Kiet and told Prime Minister Kiet that his visit's purpose is to discuss possibilities of cooperation in the settlement of security issues in overlapping territories between the two countries, to exchange experience on the urban and tourist management and issues relating to Vietnamese residents in Thailand. He pointed out that the issues relating to the two countries should be settled in the spirit of friendship conforming to the interests of each country as well as of the whole region. He assured the Vietnamese leader that the agreements on cooperaation between the two ministries would be implemented well to contribute to further promoting the relations of friendship and cooperation between Vietnam and Thailand to meet the aspiration of each people and for the sake of peace, friendship, cooperation and development in the region and the world as a whole.

For his part, Prime Minister Vo Van Kiet hailed the Vietnam visit by the Thai delegation as a new contribution to the consolidation and strengthening of the bilateral friendly and cooperative relations.

He welcomed the Thai minister's active contributions to the acceleration of the process of peace in Cambodia and hoped that the Thai Government in general and the minister in particular would make more practical contributions to that process thus contributing to building Southeast Asia into a region of peace, friendship, cooperation and development.

Thai Acting Prime Minister Meets Tran Duc Luong

BK2808072793 Hanoi VNA in English 0622 GMT 28 Aug 93

[Text] Hanoi VNA Aug.28—On his way to Manila, the Philippines, to attend an economic conference for the sub-region, Vice Prime Minister Tran Duc Luong stopped over in Bangkok and on Aug. 27 was received by Thai Acting Prime Minister Banyat Banthatthan.

During the reception, the two sides expressed their pleasure at the fine development of their bilateral relations in recent years, and their determination to further promote these relations in the interests of the two peoples as well as for peace, stability and cooperation in the region.

The two leaders discussed how to speed up the friendship of cooperation between the two countries, especially in planning the infrastructural structure of each country in the development of inter-nation infrastructure in the region, encouraging and supporting Thai companies' cooperation and investment in Vietnam, and the exchanges of information, and scientific and technological cooperation between the two countries.

Vice Prime Minister Tran Duc Luong drew the Thai Government's attention to step up the implementation of the resolutions set out by the International Civil Aviation Organization (ICAO) on FIR [Flight Information Region] issue relating to FIR/Ho Chi Minh City.

On this occasion, Vice PM Luong informed the Thai Acting Prime Minister of Vietnam's socio-economic and political situation and its foreign policy.

Vice P.M. Luong invited Acting Prime Minister Banyat Banthatthan to visit Vietnam, and the latter accepted the invitation.

Vo Van Kiet Receives Cuban Construction Minister

BK2808145393 Hanoi VNA in English 1430 GMT 28 Aug 93

[Text] Hanoi VNA August 28—Prime Minister Vo Van Kiet received here this afternoon Cuban Construction Minister Homero Crabb Valdes and other construction experts who are on a visit to Vietnam to find out the possibilities of cooperation with and assistance to Vietnam in the field of construction at the prime minister's demand during his visit to Cuba early last July.

Minister Homero Crabb Valdes informed the Vietnamese leader of the initial agreements on Cuba's assistance to Vietnam in experiences, equipment, conducting survey, designing, and checking the quality of constructions, the participation of Cuban workers in construction works in Vietnam like the Yali hydroelectric road system, Highway 13 in Laos that Vietnam won the tender, and cooperation, joint venture to make tenders for the constructions abroad, as well as foreign invested constructions in Vietnam. [sentence as received]

Speaking to his guests, prime minister stressed that the prominent problem that Vietnam is paying much attention to is the infrastructure. The achievements and experiences of Cuba in the field of infrastructure building is valuable and completely in conformity with reality in Vietnam. Cuba's assistance in this field with reality in Vietnam. [sentence as received] Cuba's assistance in this field will contribute an important part in promoting the socio-economic development in Vietnam, helping it broaden cooperation with other countries, the prime minister said. He recalled a number of constructions that was built with Cuba's assistance and affirmed that those are indispensable results of the friendship fraternal assistance between Vietnam and Cuba, a sample of international cooperation and assistance.

Doan Khue at External Military Relations Meeting

BK2508064193 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 22 Aug 93

[Text] An all-Army conference on external military relations was held in Hanoi on 19 and 20 August by the Ministry of National Defense. The conference was jointly chaired by General Doan Khue, member of the Party Central Committee Political Bureau and minister of national defense, and Lieutenant General Nguyen The Bung, member of the Party Central Committee and deputy minister of national defense.

On the basis of evaluating achievements and drawing on experiences in external military relations work in the recent past, the conference studied and discussed regulations under the new situation.

Based on the party's renovation policy, work related to external military relations of the Army must be carried out under party leadership and the state's unified system of management and in combination with national defense and security tasks. This is aimed at ensuring internal political security and enabling the Ministry of National Defense to direct this work intensively, uniformly, and closely and in line with the Army's two strategic tasks and the renovation process of the country.

Le Phuoc Tho at Meeting on Cadre-Related Work

BK2708145993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 26 Aug 93

[Text] The Party Central Committee Organization Department met in Hanoi on 24 and 25 August with some 100 comrade key leaders of party and youth union cadre affairs committees and subordinate party committees and other departments of the Party Central Committee to discuss cadre-relateds work. The meeting was chaired by Comrade Le Phuoc Tho, member of the Political Bureau and director of the Organization Department of the Party Central Committee.

The participants concentrated on analyzing the situation and tasks of the country in the process of shifting to the market mechanism and expanding international exchanges, as these tasks require the firmness, sensitiveness, and creativity of the contingent of cadres, especially leading, managerial, profesional, and advisory cadres of high calibre.

The limit in ability and quality or the lack of knowledge and experience of these cadres will directly lead to slowness and inefficiency in institutionalizing policy lines; it will lead to errors and loopholes in adopting standpoints and policies, and deviation and impracticality in defining managerial and operational rules and regulations.

The participants introduced many concrete measures aimed at overcoming the aforementioned situation, such as carrying out planning along with training and remedial training, satisfactorily enforcing the policies on recruitment and treatment, combining cadre-related work with an effort to streamline the management machinery and create an active environment for developing and streamlining the contingent of cadres.

Concluding the meeting, Comrade Le Phuoc Tho emphasized the need to develop the contingent of cadres—in terms of quality, ability, knowledge, and experience—to meet the requirements of the renovation of the country's socioeconomic management mechanism. He pointed out the three objectives of cadre-related work for the years ahead:

— Building a contingent of cadres of uniform standards and quality, with specific attention being given to key cadres at various levels in various sectors, especially those in central-level agencies, departments, and sectors who can serve as party and state strategists or advisors of high calibre.

— Ensuring a firm transition among the three generations of cadres and preparing personnel for the midterm conference of party delegates, the eighth party congress, and the ensuing years.

— Controlling and diminishing negativism among cadres, firmly maintaining discipline and law, and preventing opportunistic and politically ambitious elements and corrupt cadres from working in organs of leadership and management at all levels.

Vo Van Kiet Sends Letter to Young Businessmen

BK2708015393 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 25 Aug 93

[Text] Dear Friend,

A get-together for Vietnamese young businessmen was held on 25 August in Ho Chi Minh City. For this occasion, Prime Minister Vo Van Kiet sent a letter to the get-together. The letter reads as follows:

Dear Comrades and Young Businessmen,

First I would like to welcome the initiative of the Youth Union Association in organizing the get-together for the young businessmen. It is an opportunity for the young businessmen to exchange experiences, widen cooperation in business and production development, and introduce to the public the exemplary young people who excel in doing business.

It is a great pleasure for me to see more and more young people, with determination and self-motivation, scoring laudable achievements in business in line with the country's renovation policy,. I hope that in this get-together, the young businessmen clearly assert their position in the economic development of the country, carefully plan the long-term development of their businesses, and strive to be models for others in business management, production efficiency and quality, and observing the law. Young businessmen should strive to become high-level executives who will be able to continue the work of the present generation in the next five-year period and into the next century.

In this get-together, the young businessmen should discuss and suggest measures that could help the state amend and complete policies for socioeconomic development. I hope the Vietnamese Youth Union Association initiates more useful activities that respond to the aspirations of people of all walks of life. I wish the young businessmen many successes in their enterprises and in their lives.

My warm salutations to you.

[Signed] Vo Van Kiet, prime minister.

Vice President Nguyen Thi Binh Visits Bac Thai

BK3008130993 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 Aug 93

[Text] On the occasion of the anniversary of the historic August Revolution, Comrade Vice State President Nguyen Thi Binh paid a visit on 28-29 August to Bac Thai Province, a former base area in the revolution.

He held working sessions with the standing committee of the provincial party committee, leaders of the people's council, and the people's committee of the province.

Bac Thai Province has scored significant achievements in recent years. Production in the local industries is stable. Each year 12,000 hectares of new forest are added, resulting in fast reduction of bare area. The local emulation campaign to excel in home economics, gardening, fruit production and other local and industrial plants was relatively successful in all districts. The living standard of the local people was gradually improved, thus increasing the number of prosperous households and reducing the number of poor ones. Production of local industrial products such as clean coal, gravel, and cement were on the rise. Public health and education services were developed at satisfactory speed, and all physical establishments and facilities were maintained well.

The comrade vice president urged the provincial leaders to seek logical ways to determine the development model for local agriculture and forestry, and to pay adequate attention to building up the product processing establishments. Eleven out of 13 districts in the province have been provided with electricity, which is a considerable advantage for developing agro-forestry processing and for finding ways to improve marketing of local products.

Leaders Attend 'Anti-Imperialist' Gathering

BK3008130393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 29 Aug 93

[Text] A gathering of former combatants who were anti-imperialist political prisoners was organized jointly by the Hanoi People's Committee and the Stage Art Department on the morning of 29 August in Hanoi. Comrades Vu Oanh, member of the Central Committee Political Bureau and director of the Central Committee Mass Mobilization Department; Ha Dang, member of the Central Committee and director of the Central Committee Ideology and Culture Department; Tran Dinh Hoan, member of the Central Committee and minister of labor, war invalids and social welfare; and many leading comrades were present.

Every year on the occasion of the anniversaries of the August Revolution and the National Day 2 September, the liaison committees for the anti-imperialist political prisoners hold a gathering for the revolutionary combatants who had been held in 12 prisons around the country. This is a fine tradition and an opportunity for us to remember the courageous and resolute tradition of the revolutionary combatants during the resistance periods. Many combatants died honorably for the causes of independence and freedom for our people, and many others have advanced to hold positions with important responsibilities in the party and state.

In this friendly atmosphere, various representatives expressed their opinions, vowed to devote all their lives to service of the party and people, heighten the revolutionary spirit, raise the patriotic flag, and educate the younger generations to develop the unconquerable tradition of the people, to continue the path of their senior generations, and to contribute to the national construction and renovation efforts.

Party Resolution on Work Related to Women

BK2808083393 Hanoi NHAN DAN in Vietnamese 29 Jul 93 p 1,3

[Text of resolution issued by the Central Committee Political Bureau on renovating and strengthening women's mobilization work on 12 July]

[Text] In our history of national construction and protection, Vietnamese women obtained an important role and position. Total liberation and development of women is one of the targets of the Vietnamese revolution, directly affecting our national development for a long time. Developing the women's force, increasing its strength, and providing all-round care to women are very important duties of the party in all revolutionary periods.

In the present stage, renovating and strengthening the party leadership over the work relating to women are important requirements in the socioeconomic development and comprehensive improvement of women.

I. Situation Concerning Women and the Party's Women-related Work.

1. Situation Concerning Women.

In the past years, our women in all walks of life, developing their tradition of "heroism, steadfastness, loyalty, and aptitude", have united, renovated, and improved in their work, scoring many outstanding achievements in the political, economic, cultural, and social fields. They have contributed a rewarding share to the efforts for renovation and national construction and protection, further beautifying the Vietnamese women's noble characteristics of patriotism, intelligence, diligence, patience, benevolence, etc...

Within the general difficulties in the country, however, they have been suffering a great deal. A considerable number of women are out of work or in low income jobs. Many still have to work in poor and hazardous conditions. Their health, generally speaking, has been deteriorating. Many children are suffering malnutrition, even before birth in quite a few cases.

Many of them, especially women living in mountainous and isolated rural areas, are illiterate or poorly educated. These women have hardly any cultural or art activities to enjoy.

Women are still suffering various forms of discrimination. They are the victims of increasing social evils such as prostitution, drug addiction, gambling, superstition, and so on...

The aforementioned difficulties are badly affecting the development of women of future generations.

2. Party Work Relating to Women.

Since its formation, the party has paid special attention to the goal of women's liberation by pursuing equal opportunities for men and women and attaching the cause of women's liberation to the cause of national liberation and socialist construction.

The party has always paid proper attention to the leadership and development of the Vietnam Women's Federation, making it an organization for all women; motivating and providing guidance to women's revolutionary movements; training female cadres for the party, state, and mass organizations; and actively partaking in all activities of international women to win their support for Vietnam and Vietnamese women.

After its sixth national congress, the Vietnam Women's Federation has gradually revamped its organization and work methods to diversify its motivational, educational, and action movements to meet the practical demands of women. The two great movements of "Women Helping One Another in Running A Family Economy" and "Providing Good Care to Children and Contributing To Limit Malnutrition and the Dropout Rate Among Children" have been energetically welcomed by women from all walks of life with many suggestions, bringing positive results to the lives and happiness of many families and contributing to social stability.

Decision No. 163 of the Council of Ministers on coordination at all levels between governments with women's federations has achieved practical results, improving the women's movements.

Party and state work relating to women has shown many shortcomings in its transitional approach. It has emphasized the contributions of women, but not concentrated on women training and the improving of knowledge for women to meet new requirements. The mobilization of women in the collective, individual, and private economic sectors and in the ethnic, religious, and intellectual communities has not been studied properly to develop a better approach.

Particularly, the policies on female cadres still have many deficiencies. Some able female cadres have not been promoted to the appropriate positions nor been properly trained to replenish the party and state manpower resources. On the other hand, some women have not tried to improve themselves to meet the new requirements.

Generally speaking, the contingent of female cadres has been decreasing. The resource of female cadres is in short supply.

The difficulties of women are not separated from the general difficulties, but in a subjective sense, the party is slow in modernizing the mobilization of women and in amending and correcting the policies relating to women. It has not ensured the satisfactory implementation of its line and policies in respect to women. In leadership ideology, at times, some localities are too complacent with the level of the political liberation of women attained but not fully aware of the requirements and contents of the liberation of women in the socioeconomic sense. The feudal, patriarchal way of thinking and the practice of looking down on women are still rather common in some party members, some families, and some sectors of society in general. Many party committees still believe that the work relating to women is a separate job for the women's federations.

The government is slow in institutionalizing regulations and policies relating to women.

The women's federations do not attract women from all levels of society. They have not made quick and comprehensive proposals to the party and state to amend and correct the regulations and policies relating to women.

II. Viewpoints and Major Tasks.

A. Viewpoints.

1. The Vietnamese women have a historically glorious tradition. They have great potential and are an important force in the renovation and socioeconomic development. They are workers, citizens, mothers, and the first teachers of children. Their work capacity and condition, education level, social position, and spiritual and material lives deeply effect the development of future generations. Therefore, we must consider the liberation of women to be an important goal of the renovation and socialist construction in our country.

2. The present goals for women's emancipation are to practically improve the material and spiritual life of women, improve the position of women in society, satisfactorily achieve equality between men and women, build well-to-do, equal, progressive, and happy families, and build healthy, knowledgeable, dynamic, and creative Vietnamese women who know how to enrich themselves legally, who are concerned about social and communal interests, and who are imbued with human kindness.

3. Women's emancipation and women-related work are the duties of the party, of the state, of various mass organizations, of the entire society, and of every family.

Guidelines for women's emancipation must be institutionalized and substantiated under the laws, systems, and policies of the party and the state.

The Women's Union is an organization that represents women's interests. It is also a center gathering and uniting Vietnamese women together. It guides and musters women to struggle for the cause of women's emancipation, equality between women and men, the growth and happiness of women, the renovation undertaking, and a prosperous people, a powerful country, and a civilized society.

B. Some major tasks:

1. Create employment; care for their welfare; provide labor protection, welfare insurance, and healthcare for women; and protect women's rights.

(a) One of the main approaches to creating employment for women is to formulate systems and policies to create favorable conditions for women to find their employment. Under employment creation programs, we must pay attention to solving employment, increasing income for women, intensifying training and remedial training for women, and improving their professional skills. The administration at all levels, economic sectors, and mass organizations are responsible for providing assistance in capital, crop seeds, information facilities, technologies, and products sales so as to develop dynamism and creativity in the rational use of the female workforce.

(b) It is necessary to pay attention to improving working conditions; to arrange and use manpower in a way that fits women's characters; to actively improve machine tools; to introduce science and technologies into production; to reduce the workload for women; and to devise systems providing women with healthcare, medical treatment, and rest and recuperation.

(c) It is necessary to build, revise, and perfect the laws and welfare policies related to women and female labor (namely, the labor law, labor protection, welfare insurance, obligational labor for public benefits, and the policy to train women laborers). When we enact a law or a policy, we must pay attention to the special characteristics of female labor. This is because as women, they have two simultaneous functions, namely, social labor and childbirth and child upbringing-related labor.

(d) It is necesary to devise policies in a way suitable to women belonging to ethnic minority groups, women tied up with religious precepts, needy women, helpless women, and handicapped women.

2. We must educate and improve the quality, abilities and general knowledge of women.

(a) Relevant sectors must cooperate with the Women's Union in disseminating and guiding women's unions at various levels and invidual women on information related to laws, socioeconomic policies, experiences learned on how to be good wives and mothers and on how to satisfactorily organize family life. They must help women improve their general knowledge.

(b) It is necessary to devise a sponsorship policy to develop the cultural, artistic, scientific, and technical creation skills of women, and to improve the level of cultural enjoyment of women.

(c) We must strive in such a way that by the year 2000, we will be able to eradicate illiteracy for women, especially for those belonging to the already-prescribed age group. Specific attention must be paid to eradicating illiteracy for women belonging to various ethnic minority groups and for those living in remote rural areas. Steps must be taken to do away with the state of school dropouts among young girls. We must strive to increase the percentage of women in the contingents of intellectuals, high-level specialists, production managers, competent business people, and skilled workers.

3. We must build prosperous, equal, progressive, and happy families.

Families are the cells of society. Families play a major role in economic development and social stability and in building new men. Women play a very important role in building families. It is therefore necessary to create conditions for women to harmoniously combine their duty as citizens with their functions as mothers in building prosperous, equal, progressive, and happy families.

The Vietnam Women's Union Central Committee and various organs concerned must incorporate the subject of family studies into state-level scientific study programs, institutionalize family issues into systems and policies and widely disseminate these systems and policies in public news media and at various schools with a view to improving public awardness about family obligations.

The state must amend and supplement the marriage and family law so as to suit requirements for social development.

4. Female cadre-related work.

We must turn the building of female cadres into a strategic task in the entire cadre-related work of the party and the state. As planned, we must devise plans to create the source of replenishment and train and provide additional training for female cadres, trying to create conditions for them to make their contributions and to achieve growth. We must strive to increase the percentage of female personnel in various party committee echelons, government organs, and socioeconomic, health, educational, scientific, and artistic management sectors. We should guard against the tendency to show disregard for women, to discriminate against women, and to be too strict in evaluating, using, and promoting female cadres.

We must formulate policies to use and develop the knowledge of competent and experienced female specialists of retirement age so they can continue making their contributions to society and to the women's movement.

5. Renovating the organization and working methods of the Vietnam Women's Federation.

We have to continue to renovate the Vietnam Women's Federation and diversify its organization and working methods to make the federation suitable to different age groups, professions, hobbies, areas, and regions. We have to link rights and obligations and guide women from all walks of life to the target of making the population prosperous, the country strong, and society civilized.

6. Strengthening women-related work in party, state, mass, and social organizations.

The party committees at all levels must regularly provide guidance to the activities of women's federations at all levels to create favorable conditions for the federations to fulfill their duties.

The state must establish study projects and quickly introduce legal documents and policies relating to women.

Mass organizations and social organizations should coordinate with the Vietnam Women's Federation in organizing, training, propagandizing, and motivating all women to partake in revolutionary work movements, in improving women's life, and in protecting the legitimate rights of women. They should have programs to provide training and jobs for women in their organizations.

III. Organizing for the Implementation

Party committees, state organs, mass organizations, and women's federations have the duty to ensure a thorough comprehension of the party's line on women's mobilization work, concretize this line into regulations and policies, set up practical working programs, supervise the implementation of these tasks, and quickly draw experiences on women's mobilization work.

In organizations where women work and in state organs which are entrusted with the function of outlining regulations and policies relating to women and children, there must be cadres and working groups overseeing issues relating to women so that they can propose to the party and state the introduction of new guidelines and policies suitable to the new structure.

Party committees and youth unions in the Vietnam Women's Federation, the Central Proselytizing Department, the Central Organization Department, and the party Central Office are to help the party Secretariat supervise the implementation of this resolution. They must review the results and report to the party Political Bureau and the Secretariat every year.

This resolution is disseminated in full text to all primary party organizations.

Australia

Germany's President Stops Over After Thai Visit

LD2908130393 Hamburg DPA in German 1113 GMT 29 Aug 93

[Excerpts] Cairns (DPA)—Federal President Richard von Weizsaecker today arrived in Australia on his tour of Asia and the Pacific. He is making a stopover there at the Great Barrier Reef, the largest coral reef in the world, on the way to New Zealand for his state visit beginning tomorrow evening. The Australian minister for the environment, Ros Kelly, welcomed Weizsaecker on his arrival at the port of Cairns. The president returns to Australia this Friday for an official visit.

Yesterday evening, Weizsaecker and his wife Marianne met with the Thai ruler and his wife, King Phumiphon and Queen Sirikit. During a meal they reaffirmed the good relations and close friendship between Germany and Thailand. Both countries have the task in their respective regions of playing a stabilizing role, Weizsaecker said later, explaining their joint stance. By working together they can make an important contribution to resolving supraregional problems, he said. [passage omitted]

Weizsaecker assumed that Queen Sirikit will soon take up the invitation to visit Germany which he extended. Weizsaecker described his brief visit to Thailand as a contribution toward making up for German foreign policy's "need to catch up" in the Asian and Pacific region. This also applies to Germany's long-term economic interests in this region, which has the largest population density in the world, he said.

New Zealand

German President Addresses Wellington Luncheon

BK3108045693 Hong Kong AFP in English 0427 GMT 31 Aug 93

[Text] Wellington, Aug 31 (AFP)—Visiting German President Richard von Weizsaecker called Tuesday [31 August] for closer ties between his country and New Zealand, adding that both countries should support moves towards free trade.

"In our respective regions we can help liberalism to flourish, and we can help each other," he told a state lunch in his honour here.

He arrived Monday night for a four day visit and early Tuesday laid a wreath at the National War Memorial before holding talks with Prime Minister Jim Bolger and Labour leader Mike Moore.

Weizsaecker said continuing moves towards European unity would not result in a closed-off continent.

"The European Community will have to remain open to the world. Our security and our prosperity depend on it," he said.

"Located in the heart of Europe and not particularly favoured by nature, Germany supports the policy of free passage for capital, services and goods worldwide. We have learned that this is the policy that brings most benefit to all."

The president said Europe and Germany wished to continue close co-operation with Pacific states and particularly New Zealand.

Bolger, in his speech, said New Zealand was keen to see German investment, although the country recognised that funds were limited by the costs of German reunification.

"After Britain, Germany is our major trading partner in Europe," he said.

"We see Germany as a market which is highly conscious of quality, and we are well placed to supply the requirements of the German market with products that meet those high standards."

Weizsaecker will fly to Christchurch later Tuesday and will also visit Auckland and the hot springs resort of Rotorua.

Talks With James Bolger

LD3108093993 Hamburg DPA in German 0604 GMT 31 Aug 93

[Text] Wellington (DPA)—Federal President Richard von Weizsaecker has underlined Germany's growing interest in the Pacific region in talks with New Zealand's leading politicians. "This is a new priority in our foreign policy," he told journalists in Wellington today. He dismissed fears that Germany would increasingly be preoccupied with itself due to its economic problems and difficulties in the unification process.

Weizsaecker met with New Zealand's Prime Minister James Bolger among others. The president expressed his opposition to all forms of protectionism in international trade. This also applies to the European Community: "The EC will remain open to the world. Our security and our prosperity depend on this." Bolger praised relations between New Zealand and Germany which are "in great shape."

In response to questions from journalists, Weizsaecker came out in Wellington against attaching too much importance to extreme right-wing and xenophobic tendencies in Germany. There have been terrible acts of violence that cannot be excused. However, there are violent extremist criminals everywhere and their numbers in Germany are more likely to be lower than elsewhere, particularly as they have met with disapproval among the great majority of the German population, he said.

Weizsaecker and his wife Marianne continue their state visit tomorrow in the southern New Zealand town of Christchurch where they will be visiting the International Antarctic Center among other places.